

FBIS

DAILY REPORT

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REPORTAGE ON DK'S SIHANOUK AT UNITED NATIONS

'Dismisses' SRV Proposal

OW251042 Beijing XINHUA in English 1030 GMT 25 Sep 84

["Sihanouk Dismisses Vietnam's Proposal as Trickery" -- XINHUA headline]

[Text] United Nations, September 24 (XINHUA) -- "There is nothing new in the proposal made by Nguyen Co Thach, the Vietnamese foreign minister, for holding a conference on Kampuchea between the so-called Indochinese states and the ASEAN nations," declared Samdech Norodom Sihanouk, president of Democratic Kampuchea. President Sihanouk stressed at a news conference here this evening that "We, the coalition government of Democratic Kampuchea, reject totally the trickery and very dishonest proposal of Vietnam."

He pointed out that in their proposal to ASEAN, the Vietnamese didn't mention the possibility of negotiating with the main concerned party, the coalition government of Kampuchea, and the withdrawal of their troops from Kampuchea. Thus, said the president, the Vietnamese "not only didn't gave back the Kampuchean people their right to self-determination, but also wanted to make ASEAN believe that there's no other government for Kampuchea than the puppet regime of Heng Samrin, which Vietnam established."

He said that in their proposal, the Vietnamese talked about the setting up of an international control commission to Kampuchea without mentioning the international control over the withdrawal of foreign troops from Kampuchea. So, he said, such a control has no meaning. He said that Vietnam's real intention is "just to give de facto recognition of their puppet regime in Phnom Penh."

President Sihanouk said that he had studied the text of the Vietnamese proposal, which was given to him by the Singaporean foreign minister in New York. He expressed his thanks to the ASEAN states for refusing to accept the proposed conference between ASEAN and the so-called Indochinese states.

Addresses General Assembly

OW260727 Beijing XINHUA in English 0636 GMT 26 Sep 84

[Text] United Nations, September 25 (XINHUA) -- The aim of the Vietnamese proposal on Kampuchea is to bury the U.N. resolutions on Kampuchea and gain recognition for the Vietnamese occupation of that country as a fait accompli, Samdech Norodom Sihanouk, president of Democratic Kampuchea, told the plenary meeting of the General Assembly today. He denounced Hanoi's move as a scheme to bring about recognition of an "Indochina Federation" which "comprises one master and two servants."

Sihanouk demanded the total withdrawal of Vietnamese forces from his country. He said, "I would like to repeat in this regard the proposals I have been presenting for many years: That is, after the total withdrawal of Vietnamese forces, general elections will be organized in my country, under strict United Nations supervision, in which all parties and tendencies of our political life, the Heng Samrin team included, could freely participate."

He said, "We offer them, if they withdraw from our territory, to develop with them, with their present allies, as well as with all countries the world over, relations of friendship and cooperation, based on the five principles of peaceful coexistence, in equality, mutual respect and reciprocal interest. Kampuchea will be independent, neutral, non-aligned, enemy of no one, friend of all those who are willing to be so."

"My most logical and reasonable proposals presented throughout the years have been unsuccessful and have met with the same categorical refusal," he said, adding that "up to now, the Vietnamese have left us with no alternative but to fight against them."

He briefed the General Assembly on the remarkable victories the coalition government and people of Democratic Kampuchea had won in the past years in both the military and diplomatic fields.

Speaking of the prime significance of strengthening the unity of the coalition government, the president said: "We have every hope if we know how to preserve, at present and in the future, our national union. It is the fundamental factor of the survival of our nation and the preservation of our national identity." He said, "Our greatest duty right now is to devote all our forces to the patriotic union, without which our struggle would have no way out. I note that all the components of our coalition government have become conscious of this necessity and upheld the national salvation beyond any other consideration. I wholeheartedly rejoice to note the failure of our enemy to sow division within our coalition."

Samdech Sihanouk extended the deepest gratitude of the government and people of Democratic Kampuchea to all those governments and peoples and international organizations who have supported and aided their struggle for national salvation and independence. He specially mentioned Thailand by name, saying that "not only is the protection accorded by the Kingdom of Thailand to our refugees costly, but it is sometimes dangerous for her when the Vietnamese forces infiltrate into her territory or shell it. The neighboring kingdom has shown exemplary compassion for and solidarity with us, thereby securing our imperishable gratitude."

He said in conclusion, Democratic Kampuchea supports the Laotian people, also victims of the Vietnamese domination, in their struggle for independence and freedom of their motherland. It supports the just proposals made by president Kim Il-song of the Democratic People's Republic of Korea. He also expressed support for the Afghan people's struggle against Soviet invasion and occupation, the Palestinian people's struggle for their legitimate national rights, and the African people's movements of liberation. He appreciated the initiatives of the Contadora Group to eliminate the tension prevailing in Central America and the Caribbean.

Sihanouk's speech was warmly applauded.

While Sihanouk was addressing the General Assembly, over 100 Kampuchean residents gathered at the U.N. plaza, carrying placards condemning Vietnam's genocide crimes in Kampuchea and demanding the unconditional withdrawal of its occupation forces from Kampuchea.

Meets Reagan

OW251610 Beijing XINHUA in English 1430 GMT 25 Sep 84

[Text] Beijing, September 24 (XINHUA) -- U.S. President Ronald Reagan met President of Democratic Kampuchea Norodom Sihanouk and Prime Minister of the coalition government Son Sann yesterday immediately after making his address at the U.N. General Assembly.

Secretary of State George Shultz said that the session was "very cordial and useful." Sihanouk and Son Sann told Reagan about what has taken place in Cambodia -- the Soviet presence, indirect and direct, the attitude of the people of Cambodia toward it, and the progress being made in the resistance."

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Reagan expressed support for what they are doing and recalled to Sihanouk and Son Sann U.S. support for the efforts made by Association of Southeast Asian Nations to solve the Kampuchea problem and substantial flow of U.S. humanitarian aid for the refugees.

WU XUEQIAN MEETS FOREIGN LEADERS AT UN

OW250834 Beijing XINHUA in English 0821 GMT 25 Sep 84

[Text] United Nations, September 24 (XINHUA) -- WU Xueqian, state councillor and foreign minister of China met here this morning with David Lange, prime minister and minister for foreign affairs of New Zealand. Ling Qing, China's permanent representative to the U.N., was also present at the meeting. Wu later attended a luncheon given in his honor by Federal German Foreign Minister Hans-Dietrich Genscher.

Also present on the occasion were Ling Qing, Xie Qimei, China's deputy permanent representative to the U.N., and Ma Xusheng, special adviser of the Chinese Government delegation to the 39th session of the U.N. General Assembly.

In the afternoon, Wu met with Peter Barry, executive president of the council of minister of the European Community for the second half of 1984 and also foreign minister of Ireland. Earlier today, the Chinese foreign minister met with Peter Varkonyi and Joseph Clark, his Hungarian and Canadian counterparts.

JIANG XINXIONG ON 'NONNUCLEAR PROLIFERATION'

OW260052 Beijing in English to East and South Africa 1700 GMT 25 Sep 84

[Text] A Chinese official said China agrees to nonnuclear proliferation, but opposes any irrational restrictions imposed on nuclear cooperation.

Speaking at the current International Atomic Energy Agency's session in Vienna, Jiang Xinxiong said the world is attaching increasing importance to the peaceful use of nuclear energy. However, he said the development of nuclear power is quite unbalanced with a dozen or so reactors in the developing countries. He said that, following the peaceful foreign policy in opposing the nuclear arms race, China is working hard for the complete prohibition and destruction of nuclear weapons.

WANG BINGQIAN ADDRESSES IMF-WORLD BANK MEETING

OW260451 Beijing XINHUA in English 0320 GMT 26 Sep 84

[Text] Washington, September 25 (XINHUA) -- Chinese State Councillor and Finance Minister Wang Bingqian urged today "developed countries, the major ones in particular, will adopt farsighted economic, trade and fiscal policies and, while developing their own economies, help to promote the economic development of developing countries."

Addressing the 1984 annual meeting of the International Monetary Fund and the World Bank, he said that "over the past few years, many developing countries have carried out economic adjustment and improved their balance of payments to a certain extent at the cost of slowing down their economic growth." However, he continued, "intensified trade protectionism practised by a number of developed countries, their reduction of official development aid, and rising real interest rates have made it hard for the developing countries to overcome their economic difficulties."

Wang said, "What is most disturbing is that the situations of many low-income developing countries are still deteriorating. It goes without saying that to change such a state of affairs, developing countries themselves should exert their utmost efforts. But, what is equally important is that their external conditions must be improved, which would require the international community to make concerted efforts to render them effective assistance."

On the world debt problem, he said, "the debtor countries should not be held solely responsible for the debt crisis." It is neither fair nor the solution to ask the debtor countries alone to shoulder the burden of adjustment; the creditor countries should undertake certain obligations To this end, the IMF should make new efforts to urge the major industrialized countries to change their irrational monetary and fiscal policy," he added.

The minister said, "In our opinion, the mounting trade protectionism practised by developed countries has seriously harmed the interests of developing countries and impeded the growth of world trade and economy."

He stressed that "the situation in Sub-Sahara is especially disquieting." "The international community obviously should make a special effort to give them effective assistance," he added. Expressing full support for the program of action for Sub-Saharan Africa worked out by the World Bank, he said, "The Chinese Government is ready to continue to assist the African countries within the bounds of our capabilities."

He urged the World Bank management to continue their efforts to mobilize additional resources for the International Development Association (IDA) to meet, at least in part, the pressing needs of developing countries with low incomes. He also earnestly expressed the hope that agreement will be reached on the allocation of special drawing rights for the fourth basic period as soon as possible.

ENGLISH EDITION OF DENG'S WORKS PUBLISHED

OW250831 Beijing XINHUA Domestic Service in Chinese 1449 GMT 22 Sep 84

[Text] Beijing, 22 Sep (XINHUA) -- The English translation of the "Selected Works of Deng Xiaoping" has recently been published by the Foreign Language Press in Beijing. This edition was translated by the CPC Central Committee's Bureau for Translation of Marx-Engels-Lenin-Stalin's Works on the basis of the Chinese edition of the "Selected Works of Deng Xiaoping" published by the People's Publishing House. The first batch of the edition, which will be distributed at home and abroad by the China International Book Trading Corporation, will be on sale at foreign language bookstores in Beijing, Shanghai, and Guangzhou from 28 September.

INTERNATIONAL EDUCATION EXCHANGE GROUP ESTABLISHED

OW241346 Beijing XINHUA in English 1240 GMT 24 Sep 84

[Text] Beijing, September 24 (XINHUA) -- The Chinese Education Association for international exchanges, the first nationwide organization for educational contacts with foreign countries, was set up here today. The association's founding was proposed by scholars, experts and officials under the auspices of the Ministry of Education. It will promote and sponsor exchanges and cooperation with overseas educational and research bodies, professional societies, institutions of higher learning and individual specialists, scholars and professors. Vice-minister of Education Huang Xinbai was named president of the association.

China has educational ties with more than 100 countries.

WU XUEQIAN ON OPEN DOOR POLICY, U.S. TRADE

OW251304 Beijing XINHUA in English 1243 GMT 25 Sep 84

[Text] New York, September 24 (XINHUA) -- China "sincerely hopes that the U.S. Government will remove artificial restrictions and obstacles to our mutually-beneficial cooperation," urged Chinese State Councillor and Foreign Minister Wu Xueqian here this evening. Wu was speaking at the end of a reception given in his honor by Robert Boxnam, president of the Asian Society.

Addressing the more than 300 personages from all sectors of the United States, Wu said, "Although Sino-U.S. trade has grown substantially, it is only about a half of Sino-Japanese trade," and that "China's export to the United States accounts for a meagre 0.6 per cent of the total U.S. imports."

He told his American audience that since the establishment of diplomatic relations between China and the U.S., their economic and trade relations have grown very quickly. "During the four years from 1979 to 1982, the total volume of bilateral trade reached 18.2 billion U.S. dollars, an average annual increase of 62 per cent," he declared, adding that "by 1983 over 100 contracts and agreements on various kinds of economic and technological cooperation were signed by the businessmen of the two countries."

"Last year, the U.S. Government announced the guidelines governing the technology transfer to China and adopted some concrete measures for their implementation. We welcome all this," Wu said. Nevertheless, he pointed out, "it does not mean that henceforth it would be plain-sailing for Sino-U.S. economic relations."

"In our view", the foreign minister said, "discord is sometimes unavoidable in Sino-U.S. bilateral cooperation, considering the difference in the social and economic systems of our two countries and the brief history of our economic and technological cooperation." "However," Wu stressed, "it is important for the two sides to respect each other and adhere to the principle of mutual benefit and reciprocity. Whenever differences occur, the departments concerned of the two countries should try to solve the through consultations on an equal footing, instead of imposing the legislation of one country on the other."

The Chinese foreign minister briefed his audience the achievements China has scored in the past few years. "During the first four years of the 1980's," he said, "China's total value of industrial and agricultural production has registered a steady increase at an annual growth rate of close to 8 per cent." He said this process, "is attributable mainly to two basic policies, i.e. the policy of taking flexible measures to invigorate the economy domestically and the policy of opening to the outside world." "Our decision to open China to the outside world is not just a short-term policy aimed at overcoming the shortage of funds and backwardness of technology but a long-term basic policy of the country for economic development," the foreign minister reaffirmed.

"The seventh five-year plan (1986-1990) envisages an unprecedented scale for China's economic construction and technical transformation of the existing enterprises," proclaimed Wu.

He said China hopes that "American businessmen will give play to their advantages and strong points in carrying out cooperation with China on the basis of mutual equality and benefit."

Zhang Wenjin, Chinese ambassador to the United States, and Ling Qing, China's permanent representative to the U.N. were present at the reception.

REAGAN DENIES U.S. MOVE TOWARD PROTECTIONISM

OW252018 Beijing XINHUA in English 2000 GMT 25 Sep 84

["Reagan Defends U.S. Economic Policies by Li Yanning" -- XINHUA headline]

[Text] Washington, September 25 (XINHUA) -- Under growing criticism and complaints about high U.S. interest rates and protectionism in trade from abroad, especially from developing countries, U.S. President Ronald Reagan today tried to defend U.S. economic policies at the joint annual meetings of the World Bank and the International Monetary Fund.

Addressing delegates from the 147 member nations, Reagan said: "We sometimes hear complaints about U.S. interest rates, particularly by debtor nations, which are legitimately concerned about the additional debt service costs they must bear. But not enough mention is made of trade and the far greater benefits developing countries receive from renewed economic growth and open market policies of the United States." He predicted a drop in the high U.S. interest rates, saying: "We're not seeing an increase in interest rates. There has been a slight drop in the last several days and I believe there will be more of that ahead."

Since their arrival here to attend the annual meetings, officials from many countries have expressed dismay at the high interest rates still posted in the United States. Worried about the effect such rates will have on the world economy and on the poorer countries burdened by billions of dollars in foreign debts, they have repeatedly urged the United States to cut its federal budget deficits, expected to run at 175 billion dollars in the fiscal year ending at the end of this month. Reagan said his administration's economic policies would "allow us to keep America's deficits on its current downward path." But it seems that his remarks can hardly be successful to lessen the worries, as his administration has not yet announced any effective measure to cut the deficits.

He said, "I know there has been concern, especially among debtor countries, that pressures for trade protectionism in the United States could lead us to..... erecting new import barriers, and harming prospects for their export growth". But he denied that the U.S. is moving toward protectionism. He said his government is resisting the pressure to restrict the import of foreign products, citing as examples his turning down of the requests for protection on tuna, stainless flatware, shoes and copper. But he avoided mentioning the U.S. import barriers against textiles. The U.S. President called on the member nations of the World Bank and the IMF to "join us" in a new round of negotiations to lower trade barriers around the world.

He reaffirmed his support for the new efforts to relieve food problems in Sub-Saharan Africa.

LI PENG MEETS U.S. SPERRY COMPANY PRESIDENT

OW251230 Beijing XINHUA in English 1224 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- Chinese Vice Premier Li Peng met here this afternoon with president of the Sperry Company of the United States J.J. Kroger and his party. Present at the meeting were Rong Yiren, chairman of the Board of Directors of the China International Trust and Investment Corporation (C.I.T.I.C.), and Xu Zhaolong, president of the corporation.

The Sperry is one of the biggest companies producing sophisticated electronic products in the United States.

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Kroger and his party are here to hold discussions with the C.I.T.I.C. and the bureau for management of computer industry under the Ministry of Electronics Industry on joint production of microcomputers.

FURTHER ON OREGON DELEGATION VISITING CHINA

Fuzhou Arrival, Talks

OW260545 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 23 Sep 84

[Excerpts] A U.S. Oregon State delegation, led by Governor Victor Atiyeh, arrived in Fuzhou by plane this morning for a friendly visit at the invitation of Hu Ping, governor of Fujian Province. The delegation is the first one from a U.S. state to visit our province. The American guests were met at the airport by Hu Ping, provincial governor; You Dexin, vice provincial governor; Wen Fushan, director of the Fujian branch of the Chinese People's Association for Friendship With Foreign Countries; and responsible persons of the provincial departments concerned. Accompanying the Oregon State delegation on the visit are a trade delegation and a journalists' group from the state of Oregon.

In the afternoon, Hu Ping and Atiyeh held talks and exchanged views on the establishment of friendly ties between Fujian Province and Oregon State and the development of bilateral economic and trade relations, as well as exchange and cooperation in the cultural, educational, scientific, and technological fields. After giving a brief account of Fujian, especially economic development since implementation of the policy of opening to the outside world, Governor Hu Ping said: We are glad to see that Governor Atiyeh understands the importance of friendly ties between our province and his state under the principle of one China. Governor Hu Ping expressed his conviction that, with the development of friendly ties, the economic and cultural exchanges between the two sides will certainly be promoted. Governor Atiyeh said that similarities exist between Oregon State and Fujian province, and that Oregon has much advanced technology that can be shared with Fujian. He said: The agreement to be signed between us will not be a scrap of paper, but will be imbued with substantial content.

In the afternoon the Oregon trade delegation held talks with public figures from economic circles of our province.

Governors Continue Talks

OW260555 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 24 Sep 84

[Text] Fujian Governor Hu Ping and U.S. Oregon state Governor Atiyeh continued their talks this afternoon. In a friendly and frank atmosphere, they had a wide-ranging exchange of views on the development of friendship and cooperation between Fujian Province and Oregon state.

Meanwhile, other members of the Oregon state goodwill delegation accompanying Governor Atiyeh on the visit and the trade delegation from Oregon continued their separate talks with responsible persons of the provincial departments concerned on the development of friendly exchanges between Fujian and Oregon in the economic, cultural, scientific, and technological fields.

This morning Governor Atiyeh and his party visited the Fuzhou No 1 Bodiless Lacquerware Factory and toured Gu Shan in the company of You Dexin, vice provincial governor, and Wen Fushan, director of the Fujian branch of the Chinese People's Association for Friendship With Foreign Countries.

Friendly Ties Established

OW251830 Beijing XINHUA in English 1521 GMT 25 Sep 84

[Text] Fuzhou, September 25 (XINHUA) -- An agreement on the establishment of friendly ties between China's Fujian Province and Oregon State, U.S.A., was signed here this afternoon. Signing the agreement were Hu Ping, governor of Fujian, and Victor Atiyeh, governor of the Oregon State.

Under the agreement, Fujian and Oregon will have more exchanges to make contributions to the further development of Sino-American relations. Both agree to expand the cooperation in economy, trade, culture, education and technology and preferential treatment will be given by each side to the other, it says.

The Oregon State's delegation, led by Governor Victor Atiyeh, arrived here September 23. Hu Ping held talks with the delegation the very day on developing cooperative relations between Fujian and Oregon.

Governor Victor Atiyeh and his party also visited a lacquerware factory, a stone-carving workshop and some other enterprises here and went sightseeing. The delegation will leave for Hong Kong via Guangzhou tomorrow.

PRC SONG, DANCE TROUPE LEAVES FOR U.S. TOUR

OW250830 Beijing XINHUA in English 0819 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- A troupe of Chinese actors, musicians, ballet dancers, singers, acrobats, magicians, and Guangdong Opera singers will leave for the United States tomorrow.

Their one-and-a-half-month tour will take them to San Francisco, New York, Washington, Los Angeles, and Hawaii. They will perform songs and dances of the Han, Dai, Yi, Qiang and Lisu nationalities and a dance featuring the giant panda.

XINHUA CITES CHERNENKO ON RELATIONS WITH U.S.

OW252004 Beijing XINHUA in English 1956 GMT 25 Sep 84

[Text] Moscow, September 25 (XINHUA) -- Soviet leader Konstantin Chernenko told a Kremlin meeting today "there is no sensible alternative" to the normalization of Soviet-American relations on the principles of equality, mutual respect and non-interference in the internal affairs of each other.

The Soviet leader maintained that all signs indicate that leaders in the United States "either do not want or are not yet ready to understand" this truth. Chernenko was delivering a speech to a meeting in Kremlin to mark the 50th anniversary of the first congress of the Soviet Writers' Union.

Chernenko said that the nuclear threat is regrettably great and one has to fight the nuclear threat vigorously and purposely. This is what the Soviet Union is doing towards the Soviet-American relations, he said. The Soviet leader urged political leaders to display "a most serious attitude to conflict situations," saying the Soviet Union is "categorically opposed to confrontation in the military sphere."

It is noted that Chernenko's address was made after U.S. President Ronald Reagan proposed to the Soviet Union on September 24 at the 39th session of the United Nations General Assembly that consultations be carried out on the Soviet-American relations. In his long speech today, the Soviet leader mainly dwelt on Soviet policies on literature and art and the tasks of cultural workers.

REPORTAGE ON INITIALING OF UK-PRC HONG KONG PACT

UK Welcomes Accord

OW26146 Beijing XINHUA in English 0125 GMT 26 Sep 84

["Sino-British Declaration on Hong Kong Welcomed by British Parliamentarians and Press" -- XINHUA headline]

[Text] London, September 25 (XINHUA) -- The news that the Chinese and British governments are going to initial a joint declaration on the Hong Kong issue has been welcomed by many British parliamentarians and the press of the country.

Peter Blaker, chairman of the Hong Kong group of the House of Commons, told the Hong Kong paper WEN WEI PO correspondent based in London on September 19 that "I'm very optimistic about the contents (of the declaration) and the future of Hong Kong."

The foreign affairs spokesman of the British Labor Party George Robertson said that, in view of what has been reported by the press, "I feel that all outstanding questions (of Hong Kong) have been solved. The present atmosphere is very good. That is nice." He said that his party is an opposition party but it will support the government decision on the Hong Kong issue. Jeremy Bray, a Labor Party member of parliament who maintains close connections with Hong Kong, said that the agreement on initialing a joint declaration on Hong Kong reached by the Chinese and British governments in a short span of two years reflected the spirit of mutual understandings and cooperation of the two sides.

In an article entitled "Before Announcement" in the Hong Kong newspaper WEN WEI PO on September 20, Robert Adley, chairman of the Anglo-Chinese group of the parliament, said, "The Hong Kong debate in Parliament at Westminster on 16th May clearly showed that most responsible British parliamentarians of all parties accepted and understood the facts of life. When the formal agreement comes, there will be few surprises." "The leaders of the People's Republic have made an extraordinary offer to Hong Kong. There is no reason to doubt their sincerity," he said. He said, "The enemies of the People's Republic want the Hong Kong experiment to fail. They will spare no effort to sow distrust, to generate doubt, to create unrest. The overwhelming majority of people in Britain, and at Westminster, wish Hong Kong and China well."

THE DAILY TELEGRAPH in an editorial on September 20 predicted "better prospects for Hong Kong." On the same day, THE GUARDIAN hailed the joint declaration as "a deal that ought to stick." "Enough is certainly known of the contents... to judge that it does have considerable merits," it said. "No one doubts that Peking genuinely wishes to see the status quo preserved for a long time after 1997 in maintaining Hong Kong as a successful trading entity," it said.

Asian Papers Welcome Accord

OW260138 Beijing XINHUA in English 0109 GMT 26 Sep 84

["Asian Opinion Welcomes Sino-British Joint Declaration on Hong Kong Issue" -- XINHUA headline]

[Text] Beijing, September 25 (XINHUA) -- Asian press has shown great concern over Sino-British negotiations on the Hong Kong issue, saying that a joint declaration to be initialled by the two countries is of great importance.

The TONGHUA DAILY NEWS of Thailand in an editorial on September 21 said that the joint declaration on Hong Kong to be initialed by China and Britain on Wednesday is the result of mutual understanding and accommodation between the two countries and it indicates the all-out efforts of both sides to maintain prosperity and stability in Hong Kong. It pointed out that what's revealed so far about the declaration has assured the public of a bright future for Hong Kong, which will continue to be flourishing instead of perishing like "a falling star". Referring to the anxiety and skepticism about China's promises, the editorial said these are unnecessary, as China has a good record in the world in observing agreements and obligations.

The NATIONAL REVIEW of Thailand on the same day said editorially that the joint declaration on Hong Kong issue is the best that can be obtained under the present circumstances.

WORLD NEWS, a Chinese language paper in the Philippines, on September 21 noted in a signed commentary the positive reactions from various sides to the Sino-British declaration. It said that the success of the negotiations between China and Britain will, as indicated by director Deng Xiaoping of the Advisory Commission of the Central Committee of the Chinese Communist Party, set an example of resolving disputes between countries by peaceful means.

Malaysia's NANYANG SIANG PAU editorially commented on September 21 that the joint declaration over Hong Kong's future is of great historic significance. It said that although details of the Sino-British joint declaration are yet to be known, the initial healthy reactions to the related document and the rising index on the stock exchange market have indicated that feelings of anxiety of the people of Hong Kong about its political future have relaxed to a certain extent. The editorial said Hong Kong's prosperity and stability are undoubtedly in the interests of all sides concerned. It expressed the belief that China will adopt practical policies and measures in order to keep the confidence of the people about Hong Kong's future.

Singapore's LIAN HE ZAO BAO said in a commentary on September 19 that the declaration to be initialed by China and Britain not only will have a great impact on Hong Kong but will have a far-reaching significance to the prosperity and stability in the whole of Southeast Asia. The commentary held that the most noteworthy aspect of the Hong Kong issue is that the "one China with two systems" formula followed by Chinese leaders will provide a feasible model for the reunification of countries still in the state of division. Hong Kong is attractive to the Singaporean, and they naturally hope that a prosperous Hong Kong will remain after it returns to China, it said.

Japan's KYODO NEWS AGENCY in a dispatch on September 22 said that resumption of China's sovereignty over Hong Kong through peaceful negotiations instead of force is something rare in the world history.

XINHUA Account

OW260208 Beijing XINHUA in English 0201 GMT 26 Sep 84

["Sino-British Joint Declaration on Hong Kong Initialed in Beijing" -- XINHUA headline]

[Text] Beijing, September 26 (XINHUA) -- The Sino-British joint declaration on the question of Hong Kong was initialed here at 10:00 hours (local time) [0200 GMT] today. The joint declaration says that the Chinese Government has decided to resume the exercise of sovereignty over Hong Kong on July 1, 1997, and that the British Government will restore Hong Kong to China on the same day.

Further Details

OW260300 Beijing XINHUA in English 0233 GMT 26 Sep 84

["Sino-British Joint Declaration on Hong Kong Initialed in Beijing" -- XINHUA headline]

[Text] Beijing, September 26 (XINHUA) -- A joint declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the question of Hong Kong was initialed in Beijing this morning.

The ceremony for initialing the document started at 10 a.m. in the Great Hall of the People. Ji Pengfei, Chinese State Councillor and director of the Hong Kong and Macao Affairs Office under the State Council, and Yao Guang, vice-foreign minister and former chairman of the Chinese Government delegation, attended the ceremony. Signing the texts on behalf of the respective governments were Zhou Nan, chairman of the Chinese Government delegation and China's newly appointed vice-minister of foreign affairs, and Richard Evans, chairman of the British Government delegation and British ambassador to China.

The joint declaration and its annexes will be released at 7 p.m. today. It is learned that the declaration says that the Chinese Government has decided to resume the exercise of sovereignty over Hong Kong with effect from July 1, 1997, and the British Government will restore Hong Kong to China on the same day. The Chinese Government also specifies its basic policies regarding Hong Kong in the declaration.

The memoranda of the two governments in connection with the declaration were also signed. They will be exchanged when the declaration is officially signed later this year. Annex one elaborates the Chinese Government's basic policies regarding Hong Kong, annex two provides for the establishment of a Sino-British joint liaison group, and annex three stipulate the establishment of a land commission to deal with land leases.

After the declaration was initialed, Ji Pengfei, Yao Guang, Zhou Nan, Evans and other members of the two delegations present exchanged congratulations amid warm applause and toasted the completion of this big event. All present agreed that after two years' patient talks in the spirit of friendly cooperation and mutual understanding between the two sides, a satisfactory agreement was finally reached between the two sides on the Hong Kong question, which was left over by history.

In a formal address at the signing ceremony, Zhou Nan said: "The agreement, having been initialed, will go through legal procedures of the two sides and be formally signed before the end of this year. At all events, we have together traversed a course of decisive significance." He said that the agreement "has satisfactorily solved the question of sovereignty over Hong Kong according to the concept of 'one country, two systems' and provides an effective guarantee for Hong Kong's stability and prosperity in the future.

"The settlement of the Hong Kong question will certainly help further consolidate and develop existing Sino-British friendly ties on a new basis, and offers fresh experience for settling peacefully problems between states left over from the past. "We believe that the agreement fully conforms to the fundamental interests of the one billion Chinese people, including our compatriots in Hong Kong and those of the British people, and will win their endorsement and support. We equally believe that it will be well received and approved of by the people throughout the world." He continued: "We owe our achievement first and foremost to the far-sighted decision of the Chinese and British leaders.

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"It was their personal attention and direct guidance that ensured the success of our talks and the conclusion of the agreement."

Evans said in his address: "The joint declaration is the practical embodiment of the imaginative concept of 'one country, two systems'. It also demonstrates that peaceful negotiations is the best way to resolve problems left over from history." He paid tribute to the skill and dedication of all members of the Chinese Government delegation. "They have worked hard, and in a spirit of mutual accommodation, to accomplish the common tasks of reaching agreement on the issues under discussion and of negotiating the terms of the joint declaration which we have just initiated." He said that the British Government and the Chinese Government have agreed that a proper negotiated settlement of the question of Hong Kong is conducive to the maintenance of the prosperity and stability of Hong Kong and to the further strengthening and development of the relations between the two countries on a new basis.

Ji Pengfei Comments

OW260648 Beijing XINHUA in English 0630 GMT 26 Sep 84

["Chinese, British Celebrate Joint Declaration" -- XINHUA headline]

[Text] Beijing, September 26 (XINHUA) -- State Councillor Ji Pengfei gave a banquet for the British and Chinese Government delegations here at noon today to mark the initiating of the Sino-British "joint declaration" on Hong Kong. Attending were members of the British delegation led by Sir Richard Evans, British ambassador to China, and the Chinese delegation led by Vice-Foreign Minister Zhou Nan as well as Yao Guang, another Chinese vice-foreign minister.

In his toast at the banquet, Ji Pengfei, who is also director of the Hong Kong and Macao Affairs Office under the State Council, described the declaration initiated this morning as a good agreement and its initialing a major event. "It is through friendly consultations that our two sides have solved the question that dates back more than a century," he said. "Its settlement fully accords with the fundamental interests of the entire Chinese people, including our compatriots in Hong Kong, as well as with those of the British people. It will produce a widespread international impact. We are happy about this development for which we express our congratulations."

The document was the product of painstaking efforts of the two delegations in a spirit of friendly cooperation and mutual understanding, Ji Pengfei said. On behalf of the Chinese Government, he expressed thanks to both delegations. He said he hoped to see continued friendly cooperation between the two sides for the smooth implementation of the agreement.

In reply, Sir Richard thanked Ji Pengfei for his hospitality. He said he would make further efforts to promote British-Chinese friendship, which was growing steadily.

FRG CHANCELLOR DISCUSSES COMING VISIT TO CHINA

OW261616 Beijing XINHUA in English 1435 GMT 25 Sep 84

[By Xia Zhimian and Li Aihua]

[Text] Bonn, September 24 (XINHUA) -- Federal German Chancellor Helmut Kohl today highly praised China's policy of opening to the outside world, saying his country harbors great interest in such a policy, which has promoted Federal Germany-China relations.

In an exclusive interview with Chinese correspondents here before his scheduled visit to China in early October, Kohl noted economic and cultural relations, as well as a political dialogue between Federal Germany and China, have increased remarkably in recent years. Moreover, he said, contacts have not been confined to the two governments but have also increased among the peoples and enterprises of the two countries. Federal Germany is now the third largest trade partner of China and the two countries signed an investment protection agreement on Oct. 7 last year and an agreement of cooperation on the peaceful use of nuclear energy on May 9 this year, he noted. He expressed confidence that his coming visit will further the ties, especially economic relations, between the two countries.

Referring to cultural and educational exchanges, he said that he hopes the number of Chinese students studying in Federal Germany (more than 1,000 at present) will be increased. He said the expansion of exchange between young people, which constitutes a significant factor in developing long-term relations between the two countries, will be one of the major topics he will discuss with Chinese leaders.

Turning to the world situation, Kohl expressed worries over the continuation of the arms race. He stressed that Federal Germany does not want missiles but disarmament, disarmament on both the West and the East. Recalling the Soviet deployment of SS-20 missiles in Europe in the 1970s, he defended the deployment of missiles in Western Europe, including Federal Germany. The deployment, which began at the end of 1983, was a result of NATO's 1979 decision to counter the Soviet arms buildup and to achieve a balance of military forces in Europe, the chancellor said. He expressed the hope for withdrawal of both the Soviet and U.S. missiles from Europe and urged the Soviet Union and the United States to take new actions to realize disarmament.

Federal German foreign policy, he said, is based on NATO membership, U.S. ties and West European integration, but Federal Germany wants to develop relations with all neighboring countries and all friendly countries in the world including China, with an immediate goal of achieving an arms reduction.

On the viewpoint that Europe is now on the decline is wrong, he asserted. Western Europe will enter a new phase of political unity before 1990, the chancellor predicted.

On the world economic situation, he expressed worries over the split between debtor and creditor countries and the growth of trade protectionism. He suggested that the money saved on arms (?build-up) channeled to certain Third World countries.

Kohl, who last visited China in 1974, also said that he personally cherishes a profound feeling for China.

FRG EX-CHANCELLOR SCHMIDT HOSTED IN BEIJING

OW260120 Beijing XINHUA in English 1907 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, met and gave a dinner for former Chancellor Helmut Schmidt of the Federal Republic of Germany this evening.

In his toast, Han described Schmidt as a renowned statesman and an old friend of the Chinese people. He said, since the establishment of diplomatic relations between China and Federal Germany, their relations have developed rapidly. Mr. Schmidt made valuable contributions to the promotion of the friendship between the two countries when he assumed the post of chancellor. His visit to China would further develop the friendship between the two peoples, Han added.

Schmidt said in his toast that Federal Germany enjoyed very good relations with China, adding that he was very glad to know that his successor, Chancellor Helmut Kohl, would visit China in the near future. He expressed the hope that the friendship and cooperation between the two nations would grow daily.

Present on the occasions were Wu Xiaoda, vice-president of the host institute, and Guenther Schoedel, ambassador of the Federal Republic of Germany to China. Schmidt and his party arrived here yesterday as guests of the Chinese People's Institute of Foreign Affairs. They will tour Xian, Shanghai, Hangzhou and Guangzhou, and take part in celebrations marking the 35th anniversary of the founding of the People's Republic of China. They are scheduled to leave for home on October 5.

EEC TO PROMOTE PRC ECONOMIC DEVELOPMENT

OW250258 Beijing XINHUA in English 0226 GMT 25 Sep 84

[Text] Brussels, September 24 (XINHUA) -- The EEC has expressed readiness to continue its aid for economic development in China and examine the possibility of increasing and diversifying such aid. The announcement was made in a document issued by the EEC Commission on the eve of the departure of Wilhelm Haferkamp, vice president of the EEC commission, for China.

Haferkamp will visit the People's Republic of China from September 25 to October 5, 1984. Haferkamp's visit, following the visit to Brussels in June by Chinese Premier Zhao Ziyang, marks the inauguration of a new phase of EEC-China cooperation with the holding of the first session of ministerial level consultations. During his visit, Haferkamp will meet Chinese Minister of Foreign Economic Relations and Trade Chen Muhua and other high ranking officials.

They will exchange views on the economic situation in the world and the development of bilateral relations between the European Community and China. These consultations take place at an important moment in EEC-China relations. Negotiations have just been concluded on a new economic and commercial cooperation agreement which will replace the 1978 trade agreement. It is expected that the agreement will be initialed in the course of the high level consultations in Beijing.

The document said: "The new agreement will provide a solid legal framework within which ongoing economic cooperation can be strengthened." Among the sectors to be covered at the initial stage by the new agreement are industry, mining, agriculture, science and technology, energy, transport and communications, protection of the environment, and cooperation in third countries. New areas of cooperation are intended to include joint ventures, exchange of economic information, technical assistance and investment promotion. The agreement will be valid for five years with automatic annual extensions after the initial period.

CHEN MUHUA RETURNS FROM EAST EUROPEAN TOUR

OW211656 Beijing XINHUA in English 1648 GMT 21 Sep 84

[Text] Beijing, September 21 (XINHUA) -- Trade Minister Chen Muhua returned to Beijing today after a two-week visit to Yugoslavia, Bulgaria and Democratic Germany

Chen told XINHUA at the airport that her visit had been a success. She had discussed greater economic and trade cooperation with the countries' leaders and signed agreements. In Yugoslavia, Chen also attended the fourth session of the Sino-Yugoslav Mixed Committee for Economic, Scientific and Technological Cooperation. Chen said that the visit had helped relations between China and these countries.

On a return stopover in Bucharest Chen was greeted by Romanian Deputy Prime Minister Ion Dinca. Chen was greeted at Beijing airport by Deputy to the Minister of Foreign Economic Relations and Trade Wang Pinqing and diplomats of the three countries.

CULTURAL DELEGATION ENDS 6-DAY VISIT TO CSSR

OW221920 Beijing XINHUA in English 1659 22 Sep 84

[Text] Prague, September 22 (XINHUA) -- A Chinese cultural delegation, led by Deputy Culture Minister Lu Zhixian, left here today for home after a six-day friendly visit to Czechoslovakia.

During the visit, Czech Minister of Culture Milan Klusak and Slovak First Deputy Minister of Culture Pavol Koys met Lu Zhixian and his party. The two sides held talks and reached an agreement on 1985-1986 cultural exchanges. The Chinese delegation also visited cultural institutions and historical sites during its stay.

CHINA TO ATTEND EXPOSITION IN BULGARIA

OW230745 Beijing XINHUA Domestic Service in Chinese 1200 GMT 21 Sep 84

[Text] Beijing, 21 Sep (XINHUA) -- Chavdar Penev, third secretary (commercial) of the Bulgarian Embassy in China, held a press conference this morning at the embassy on the 40th International Plovdiv Exposition slated for 24 September-1 October in Bulgaria. China will take part in this exposition.

The International Plovdiv Exposition is one of the 10 largest expositions in the world. The site of this exposition will cover an area of 165,000 square meters.

Penev said: Bulgaria and China now maintain trade relations and cooperation in science and technology based on annual agreements and protocols signed between the two governments. Both countries are trying to explore the possibility of expanding their bilateral trade and economic ties. The recently concluded visit to Bulgaria by Chen Muhua, Chinese minister of foreign economic relations and trade, and the documents signed during her visit represented a step forward in this regard.

UGANDAN CONGRESS DELEGATION BEGINS VISIT

Feted by Xi Zhongxun

OW241736 Beijing XINHUA in English 1619 GMT 24 Sep 84

[Text] Beijing, September 24 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Central Committee of the Chinese Communist Party, met and gave a banquet here this evening for a delegation from the Uganda People's Congress led by its General Secretary John Luwuliza-Kirunda.

Xi, also a member of the Secretariat of the CPC Central Committee, said at the banquet: "We are very pleased to note that in recent years gratifying achievements have been made by the Ugandan people under the leadership of President Apollo Milton Obote and the People's Congress in realizing national reconciliation, building a thriving national economy, and improving the people's living standards." Xi said the two ruling parties of China and Uganda should strengthen contacts and learn from and support each other on the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs. In doing so, he said, the traditional friendship and unity would grow daily and thus benefit both sides in safeguarding world peace and building their own countries.

Kirunda said, "We are very interested in the efforts China has made in the realization of its modernization programs, and we congratulate China on its achievements." He added that his delegation paid particular attention to China's agricultural reforms and hoped to exchange experiences.

Present on the occasions were Qian Liren, head of the International Liaison Department of the CPC Central Committee, and Ugandan Ambassador to China George Paliel Ufoyuru. The delegation arrived here this morning at the invitation of the Chinese Communist Party. This afternoon Qian Liren held talks with the delegation during which the two sides briefed each other on the situations in their countries and exchanged views on issues of common interest.

Meets Hu Yaobang

OW251102 Beijing XINHUA in English 1044 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang told a group of Ugandan visitors here today that vistas for economic exchanges between China and Uganda were broad and that they could find methods for effective cooperation in light of their national conditions. "We hope to see progress in our bilateral economic cooperation year by year," he added.

At a meeting with a delegation from the Uganda People's Congress led by its general secretary, John Luwuliza-Kirunda, at Zhongnanhai here this afternoon, Hu Yaobang commented favorably on Uganda's economic development and briefed the visitors on China's domestic situation. He said that the crux of a country's work was to do a good job of economic work, which required correct policies. According to China's experience, he went on, expansion of agriculture, small-scale industries, and handicrafts needed less investment but yielded quick returns. This might be suitable for other developing countries.

Kirunda said that Uganda did make progress in agriculture and was already self-sufficient in grain supply with a small surplus for export.

Present at the meeting were Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, and George Paliel Ufoyuru, Ugandan ambassador to China.

TANZANIAN PREMIER DEPARTS SHENZHEN FOR HOME

OW260112 Beijing XINHUA in English 1839 GMT 25 Sep 84

[Text] Shenzhen, September 25 (XINHUA) -- Tanzanian Prime Minister Salim A. Salim, his wife, and their party left here for home via Hong Kong this morning at the end of an eight-day friendly visit to China. Seeing the guests off at the border crossing of Luo Hu were Zou Yu, Chairman of the reception committee and minister of justice, and Liang Xiang, deputy governor of Guangdong Province and mayor of Shenzhen City.

On the eve of the prime minister's departure, Premier Zhao Ziyang telephoned Zou, asking him to give his regards to Prime Minister Salim. Premier Zhao said, "Prime Minister Salim's visit to China has given us a chance to talk of friendship and exchange experiences and views on international issues of common concern. Now the prime minister has finished his tour of Sichuan and Guangdong provinces. All this will have a positive influence on mutual understanding and effective cooperation between the two countries. The prime minister's short visit has been very successful." He said he firmly believed that in the spirit of mutual understanding and support which has long existed between the two countries, China and Tanzania will make more substantial achievements in their cooperation under the guidelines of equality, mutual benefit and common development. Premier Zhao also requested Prime Minister Salim to take Chinese leaders' and his own regards to Tanzanian President Julius Kambarage Nyerere and Vice-President Ali Hassan Mwinyi.

Prime Minister Salim asked Zou Yu to convey his greetings to Premier Zhao and other Chinese leaders. He said, "during our visit to China, we have personally experienced the friendly feelings the Chinese people have towards the Tanzanian people. We have seen and been deeply inspired by the great achievements China has made in its economic development. I believe this visit will promote the relations of cooperation between our two countries. We will do all we can to enlarge the scope of friendly cooperation in every field."

XINHUA INTERVIEWS TANZANIAN FINANCE MINISTER

OW210816 Beijing XINHUA in English 0802 GMT 21 Sep 84

[Text] Toronto, September 20 (XINHUA) -- Tanzanian Finance Minister C.D. Msuya said here today that as the current world economic situation is causing most developing nations to experience serious difficulties, developed countries should rearrange debt repayment schedules and ease the terms for debtor countries. He made these remarks in an interview with XINHUA during the two-day Commonwealth finance ministers' meeting scheduled to close today.

Msuya spoke on what he considers the major economic factors which are considerably worsening the already grave debt problems facing developing countries. Developing countries have difficulties in selling their products during a worldwide recession, and if they do sell, prices are very low. On the other hand, their own imports from industrialized countries have become more and more costly.

Developing countries would like to see a debt-repayment arrangement which will allow them to achieve some measure of economic growth while also paying back their heavy debts. But the developed countries, Msuya said, take the view that their money must be retrieved no matter what the cost to the economies of the developing countries. In the long-term, Msuya said, developing countries will have to seek a solution to the debt problem by adopting policies of self-reliance.

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Developing countries should assist in this by making funds available on soft terms to allow developing countries to purchase equipment to be used in longterm economic development.

LI XIANNIAN MEETS WITH NEW ENVOYS TO PRC

Algerian Ambassador

OW241042 Beijing XINHUA in English 1030 GMT 24 Sep 84

[Text] Beijing, September 24 (XINHUA) -- Abdelghani Akbi, Algeria's new ambassador to China, presented his credentials to President Li Xiannian here today. Present was Wen Yezhan, vice-minister of foreign affairs. Ambassador Abdelghani Akbi arrived on September 17.

Chadian Ambassador

OW241122 Beijing XINHUA in English 1108 GMT 24 Sep 84

[Text] Beijing, September 24 (XINHUA) -- Issa Abbas Ali, the new Chadian ambassador to China, this afternoon presented his credentials to President Li Xiannian. Gong Dafei, advisor to the Chinese Foreign Ministry, was present. Ambassador Ali arrived on September 21.

SINO-TUNISIAN COMMISSION MEETS IN TUNIS

Agreement on Aid

OW222130 Beijing XINHUA in English 1547 GMT 22 Sep 84

[Text] Tunis, September 21 (XINHUA) -- China will send technicians to Tunisia to help run the Mejerdah-Cap Bon Canal, the country's largest irrigation project which was completed early this year with Chinese aid. This was agreed upon at the first session of the Sino-Tunisian Mixed Commission for Economic, Trade and Technical Cooperation which concluded here today.

According to a minute of the session, during the four-day session the Chinese delegation led by Lu Xuejian, vice minister of the Chinese Ministry of Foreign Economic Relations and Trade, and the Tunisian delegation led by Ben Arfah, secretary of the Tunisian Foreign Ministry for international cooperation, reviewed the fruitful economic, trade and technical cooperation between the two countries and discussed the possibilities of expanding such cooperation in the future.

The 120-kilometer-long Mejerdah-Cap Bon Canal, the main part of the government's plan to transfer water from the western area to the east, began to be constructed in 1979 and many Chinese technicians and workers took part in the construction. With its annual flow of 200 million cubic meters of water, the canal will not only supply enough water to the capital and cities along the southeastern coast but also water 18,900 hectares of farmland and orchard.

Several Tunisian ministers were invited to a reception held at the Chinese Embassy this evening to celebrate the conclusion of the commission session. Chinese Ambassador Xie Bangding noted in his speech that the successful conclusion of the mixed commission marked a new development of the friendly and cooperative relations between the two countries. He expressed the belief that through joint efforts there will be bright prospects for the economic, trade and technical cooperation between the two countries.

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Tunisian Minister of Equipment and Housing Mohamed Sayah cited the completion of the canal project as a fruitful Sino-Tunisian cooperation, and on that basis he said he was sure that the friendship and cooperative relations will develop continuously and in big strides.

Tunisian President Praises PRC

OW231204 Beijing XINHUA in English 1135 GMT 23 Sep 84

[Text] Tunis, September 22 (XINHUA) -- Tunisian President Habib Bourguiba today expressed his satisfaction at the increased cooperation between Tunisia and China and hoped that their relations would further develop. The president made the remarks during a meeting with Lu Xuejian, Chinese deputy minister of foreign economic relations and trade, who came here on September 17 to attend a regular meeting of the China-Tunisia Mixed Committee.

The president also praised the Mejerdah-Cap Bon Canal project, which was built jointly by workers and technicians from both countries. The 120-kilometer-long canal, the largest water conservancy project in Tunisia since its independence, has carried water to over 18,000 hectares of farmland and orchards and greatly improved the water supply for the capital and cities along the southeast coast of Tunisia

MUSLIM DELEGATION CONCLUDES VISIT TO KUWAIT

OW220902 Beijing XINHUA in English 0643 GMT 22 Sep 84

[Text] Kuwait, September 21 (XINHUA) -- A Chinese Moslem delegation wound up a six-day visit and left here today. Acting Undersecretary of the Kuwaiti Ministry for Religious Endowment and Islamic Affairs 'Abd al-Rahman al-Faris and Chinese Ambassador to Kuwait Yang Fuchang saw the delegation off at the airport.

During its stay in Kuwait, the Chinese delegation met with various religious figures and was also received by the Undersecretary in Education Ministry 'Abd al-Khadar. The Chinese delegation arrived in Kuwait on September 16 en route back from the Islamic shrine of Mecca in Saudi Arabia. The Chinese Moslems went together with a Kuwaiti delegation to make the pilgrimage to Mecca on August 29. Their subsequent visit to Kuwait came at the invitation of the Kuwaiti Ministry for Religious Endowment and Islamic Affairs.

ZHU XUEFAN MEETS DELEGATION FROM SIERRA LEONE

OW221924 Beijing XINHUA in English 1641 GMT 22 Sep 84

[Text] Beijing, September 22 (XINHUA) -- Zhu Xuefan, vice-charman of the standing Committee of the National People's Congress, met a delegation of prominent figures from Sierra Leone. All People's Congress headed by Harold Hanciles, member of the Central Committee and Guiding Committee of Sierra Leonean All People's Congress. Invited by the Association for International Understanding of China, the delegation has made friendly visit to Kunming, Shanghai, Nanjing and Beijing. Yesterday Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and hosted a banquet in honor of the delegation.

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DENG WRITES TITLES FOR ECONOMIC, MEMORIAL WORKS

For JINGJI CANKAO BAO

OW181229 Beijing XINHUA in English 1125 GMT 18 Sep 84

[Text] Beijing, September 18 (XINHUA) -- Today's ECONOMIC INFORMATION [JINGJI CANKAO BAO 4842 3444 0639 5072 1032], a tabloid now circulating only in China, frontpages an inscription by Deng Xiaoping -- "Develop information resources to serve the four modernizations."

Deng, chairman of the Central Advisory Commission of the Communist Party of China, wrote the inscription for the tabloid this month on the occasion of its third anniversary. The paper, with a circulation of 600,000, will start its circulation abroad next year and double its present four pages, to cater to the growing needs of readers. Launched in 1981, the tabloid features economic, scientific and technical information at home and abroad and lectures on economic theories, policies and laws. The paper will offer a special economic information service from November this year for economic and trade departments, corporations, enterprises, Sino-foreign joint ventures, research institutes and offices of overseas firms in China. The service will include market trends, information in foreign trade and finance, economic statistics, and explanations of important economic laws and decrees.

For Book Commemorating General

OW260628 Beijing XINHUA Domestic Service in Chinese 0043 GMT 25 Sep 84

[By correspondent Yang Fubao]

[Text] Tianjin, 25 Sep (XINHUA) -- A "Collection of Articles in Commemoration of the 50th Anniversary of General Ji Hongchang's Heroic Death," the title of which was written by Comrade Deng Xiaoping, will be published by the Henan People's Publishing House.

This 260,000-character collection contains articles reminiscing about General Ji Hongchang by Kong Yuan, Liu Guangi, Zhang Wenzhou, Zhang Conggan, Lu Yaolin, and Hu Hongxia, General Ji Hongchang's wife, as well as "Notes on a Study Travel Around the World" written by the general before his death.

The collection was edited by the Tianjian Municipal CPC Committee's Commission for Collecting Party Historical Data and the Tianjin magazine ZHIBU SHENGHUO [LIFE OF PARTY BRANCH]. Marshal Nie Rongzhen wrote these words for the collection: "Eternal glory to Martyr Ji Hongchang, a national hero."

A special album in commemoration of the "50th anniversary of Comrade Ji Hongchang's heroic death" will also be published at the same time. This album contains 50 photos. Some of the photos, which portray the life of General Ji Hongchang, were collected and kept by Comrade Ji Ruizhi, General Ji Hongchang's daughter, for years and have never been published.

For JINGJI RIBAO

OW251224 Beijing XINHUA in English 1213 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- The ECONOMIC DAILY carries on its front page today an inscription by Chinese leader Deng Xiaoping of the paper's name. The name in his handwriting will be used on the paper as of National Day, next Monday.

Today's paper also pictures Deng, chairman of the Central Advisory Commission of the Chinese Communist Party, reading a copy.

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The ECONOMIC DAILY, which began publication on January 1, 1983, now has a circulation of 1,600,000. It is now issued only on week days. It will be issued seven days a week, beginning from next January 1.

WRITERS, ARTISTS HEAR HU MESSAGE, MEET LEADERS

CW181059 Beijing XINHUA in English 0901 GMT 18 Sep 84

[Text] Beijing, September 18 (XINHUA) -- Writers and artists gathered at a meeting called by the Communist Party Central Committee's Propaganda Department earlier this month to discuss reforms being made in the art world.

The meeting here was also told of preparations being made for the forthcoming fifth national congress of writers and artists. No date has yet been fixed, but a message from party General Secretary Hu Yaobang, which was read to the meeting, said he hoped the congress would inspire great enthusiasm among writers and artists to produce major new works.

The previous congress was held in 1979, when the art world was beginning to recover from the "Cultural Revolution." This month's meeting, attended by more than 50 important writers, artists and critics and senior cadres in cultural departments, agreed that reforms in finance and administration should take place without delay. Speakers noted that their immediate central task was to promote creative writing in support of China's modernization program. Young writers and artists should be encouraged in this direction.

"Leftist" influences from the "Cultural Revolution" should be overcome. Leading cadres should give convincing guidance and persuasion to avoid such theories and practices as "taking class struggle as the key link" and "mass criticism." However, a simplistic approach to this problem should not be taken, nor should labels be pinned on writers or artists indiscriminately.

The meeting agreed that the party Central Committee had placed much confidence in writers and artists since the Third Plenary Session of the 11th Central Committee held in late 1978. Literature and art had thrived since then.

During the meeting, central leaders Xi Zhongxun, Hu Qiaomu, Deng Liqun, Hu Qili and others met participants. Minister of Culture Zhu Muzhi reported to the meeting on reforms and developments in the art world.

ZHAO, OTHERS HONOR FOREIGN EXPERTS IN PRC

OW251716 Beijing XINHUA in English 1631 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- Premier Zhao Ziyang and other Chinese leaders joined 1,095 foreign experts working in China [words indistinct] here tonight at the Great Hall of the People in celebrating the 35th anniversary of the founding of the People's Republic of China.

They were hosts and guests at a reception given by the General Office of the State Council. The experts come from 51 countries and now work in educational, economic, scientific and technological organizations in Beijing.

In his toast, Premier Zhao thanked them for their help in accelerating China's modernization program. "China's progress owes a lot to your efforts," the premier said.

He especially mentioned those foreigners who came to China when the Chinese people were in great difficulties. "They stood with the Chinese people through thick and thin, and devoted all their energy and wisdom to the emancipation of our people," he said. The Chinese people would never forget the service the foreign experts had done for them, the premier said.

Zhao walked from one table to another, exchanging greetings with the guests. Many foreign experts asked the premier to have pictures taken with them and autograph their invitation cards.

In his speech at the buffet, Vice-Premier Yao Yilin spoke on the achievements China had made in the past 35 years. He said that the policy of opening to the outside world is a long-term and basic national policy and it will be consistently implemented because a closed-door policy can never help China to achieve modernization.

"We are very happy to note that many foreign experts, scholars and friends with different occupations have come to China to take an active part in various capacities in China's socialist modernization drive," he said. He noted that among the experts at the reception were some old friends, but most of them were our new friends. "Old friends or new," he said, "you have feelings of amity for China and are working in close cooperation with us for China's progress and development, offering your wisdom and skills."

Many foreign experts had made outstanding contributions in their various posts, he said. He wished that all of them, in ever-closer cooperation with their Chinese colleagues, would achieve greater success in their work in China.

There are more than 3,000 foreign experts all over China. They work in 200 enterprises and construction sites, 160 institutions of higher learning and some publications and research organizations. Over the past 35 years, more than 40,000 foreign experts have come to China to work.

Also present were Vice-Premier Tian Jiyun and State Councillors Gu Mu, Ji Pengfei and Zhang Jingfu.

JIEFANGJUN BAO REPORTER VISITS MARSHALS XU, NIE

HK250538 Beijing RENMIN RIBAO in Chinese 21 Sep 84 p 3

[Newsletter by JIEFANGJUN BAO reporter Hua Bu: "Wishes of the Old Marshals"]

[Text] Never forget where our happiness comes from. It was with such a thought that I paid visits to the two old marshals Xu Xiangqian and Nie Rongzhen, members of the CPC Central Committee Political Bureau and vice chairmen of the Central Military Commission, who have rendered meritorious service to the motherland and the whole Army.

The sun was bright, and the flowers and trees luxuriant but well-spaced. Marshal Xu strolled into the courtyard. His steady steps and solid demeanor belied his advanced age of 83. I quickly walked up to salute Marshal Xu, extended my regards, and asked him to review and forecast the building of our Army. "What a broad topic!" remarked the smiling old marshal, who has been loyal and faithful to making our Army powerful and our motherland prosperous.

Having recounted the brilliant course of our Army's tortuous development over the past 35 years, Marshal Xu said: "We have come a long way under the leadership of the party. We have paid a great price, but we have made great achievements." "We owe our thanks to the courageous struggles and hard work of the commanders and fighters of the whole Army, and to the concern, care, and support of the government at all levels and people of all nationalities." Marshal Xu walked into the house, took his seat, and continued: "There has been no available model for socialism. The road initiated by the 3d Plenary Session of the 11th CPC Central Committee is correct and in full conformity with the affairs of our state. Society must develop through reforms and the Army advance in reforms. Many things in the Army are awaiting reform and probes, such as the establishment and structure, the building of the cadres contingent, education and training, weaponry, and so on. This will require unity between the Army and the government in pushing each other ahead and in blazing a new trail with the leadership and the rank and file of one mind. We would get nowhere if we followed the beaten path and stayed in a rut."

Marshal Xu quoted freely from many sources and cited examples ancient and modern, Chinese and foreign. He waved his right arm as he said forcefully in conclusion: "The cause of communism should be carried on with the unsparing efforts of each successive generation. The building of the mother's four modernizations and a modernized, regular revolutionary Army should depend on our young comrades who shoulder heavy responsibilities. It is my hope they will fully see our achievements, fully estimate the difficulties, and exert their efforts to study diligently and struggle in unity in achieving the magnificent goal of the four modernizations with hope and courage, with high communist values, and in the spirit of the 25,000-li Long March."

Marshal Nie talked with me in his sitting room. Six months and summer's intense heat had passed since I last saw him. The old marshal maintains his healthy look with rosy cheeks, and he still talks cheerfully and humorously. Marshal Nie, at his advanced age, does not move as easily as he did in the past. However, he persists in exercising every morning after he rises. Beside some recreation activities, he persists in reading RENMIN RIBAO, JIEFANGJUN BAO, GUANGMING RIBAO, BEIJING RIBAO, and CANKAO XIAOXI [REFERENCE NEWS] every day. Since the smashing of the "gang of four," Marshal Nie has been happy and healthy. Despite his advanced age, he is still very concerned over the major affairs of the party and the state, according to his secretary. He has paid close attention to military training, political work, supply and logistics, improvement of weaponry, and the restoration of the rank system in the Army, and has given them many instructions. He has also made some important proposals to the CPC Central Committee and departments concerned on the implementation of the policies for intellectuals, on attaching importance to science and technology, and on weeding out people of three categories. Over the past few days, Marshal Nie has been making a final check of the authoritative text of the second volume of his memoirs, which will soon be in print. Marshal Nie said: "The victory of the revolution was not gained easily. We should highly value the achievements of our revolution. I have been working hard on my memoirs for years, because I am pinning my hopes on your young comrades, with the goal of providing them some reference materials for their studies of the histories of the party and the Army." Discussing the coming National Day, Marshal Nie's wise eyes shone even more brightly. He said: "It has been 35 years since the founding of the PRC. I am very happy about it. I will join you in celebration on that particular day. Now it is my greatest wish that our Army will realize its modernization earlier and our motherland will realize the four modernizations as quickly as possible. I hope that the people of the whole country and the commanders and fighters of the whole Army will work hard and strive for the realization of this goal!"

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CHINA
PRC NATIONAL AFFAIRS

What ardent expectations! What stirring efforts! Please be at ease, Marshal Xu and Marshal Nie -- you who enjoy high prestige and command universal respect. Your wishes will soon be realized by the people of the whole country and commanders and fighters of the whole Army. There is no doubt about this, because several generations are exerting their utmost efforts in the relay race of the Long March.

NI ZHIFU ATTENDS CEREMONY FOR QUIZ WINNERS

OW252012 Beijing XINHUA in English 1641 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- Wang Xiaozhi, a worker at the Beijing No 2 cotton mill, was pronounced today to have won the first place in a recent public quiz attracting more than 70,000 participants in the city. Wang Xiaozhi, 34, a junior middle school graduate, owed his success to his extensive reading.

During today's ceremony, awards were presented to 15 first-prize winners, 50 second-prize winners, and 505 third-prize winners. The quiz named "New China and New Beijing," was printed in August 8 issue of the BEIJING DAILY. The 101 questions covered China's achievements, experiences and lessons over the last 35 years, policies issued after the Third Plenary Session of the 11th CPC Central Committee held in late 1978, as well as plans for modernizing the country. One hundred and fifteen Beijing prison inmates now serving their terms also took part in the quiz, and won a third group award in the quiz. "In collecting information for the quiz, we are impressed by the enormous achievements made in our country, and we are determined to turn over a new leaf," the inmates said in a letter to the paper.

Li Zhijian, an organizer of the quiz, said that BEIJING DAILY had to print an additional 330,000 copies of the issue, because so many people participated in the quiz. "We sponsored the contest in honor of the forthcoming 35th anniversary of the founding of New China and in the hope that more and more people will be concerned with the country's developments," he added.

Present at today's awards-giving ceremony were Ni Zhifu, member of the Political Bureau of the Central Committee of the Communist Party of China, Wang Shoudao, Standing Committee member of the CPC Central Advisory Commission, and Beijing officials.

SONG RENQIONG, DELEGATION ARRIVE IN GUANGXI

HK251108 Nanning Guangxi Regional Service in Mandarin 1130 GMT 24 Sep 84

[Text] Led by Comrade Song Renqiong, delegation head and CPC Central Committee Political Bureau member, the central delegation which is coming to attend the regional rally to commend advanced collectives and advanced individuals in national unity, arrived in Nanning this morning on a special plane. The members of the delegation include Jiang Ping, deputy head of the CPC Central Committee United Front Work Department; and (Zhu He), vice minister of the State Nationalities Affairs Commission.

Leaders of the regional party, government, and Army -- including Qiao Ziaoguang, Wei Chunshu, and Jin Baosheng, Huang Rong, Bi Kezhou, and (Yu Wenqi) and (Yu Dajia), chairman of the regional Nationalities Affairs Committee -- went to the airport to welcome the central delegation. The masses of all nationalities and young pioneers, who went to the airport to welcome the central delegation, respectfully presented to delegation head Song Renqiong and delegation members balls made of strips of silk and fresh flowers.

ULANHU OPENS FOREIGN GIFTS EXHIBIT IN BEIJING

OW251220 Beijing XINHUA in English 1206 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- In order to promote Chinese people's friendship with foreign countries, China will put on show for the first time gifts presented to the country by visiting heads of state, governments, non-governmental associations and noted personages from other countries.

Vice-President of the People's Republic Ulanhu cut the ribbon at the opening of the "exhibition of gifts presented by foreign countries." The exhibition, held in the Palace Museum, will be open to the general public on October 2.

There are 681 gifts from more than 120 countries and regions. These include gold and silverware, wood and ivory carvings, paintings, embroideries, lacquerware, glassware and porcelains. Among the exhibits is a pair of porcelain swans, presented by former U.S. President Nixon to the late Chairman Mao Zedong. On display are also statues of Buddha from Southeast Asia, exquisite glass vases and plates from Europe, and wood carvings from Africa.

Zhu Muzhi, cultural minister, and Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, attended the ceremony. Present were also ambassadors of a number of foreign countries to China. The exhibition was sponsored by the international friendship museum where more than six thousand gifts are kept.

WANG ZHEN, OTHERS ATTEND TRADE FAIR OPENING

OW260533 Beijing Domestic Service in Mandarin 1200 GMT 23 Sep 84

[Excerpt] An agricultural trade fair opened at Beijing's National Exhibition Hall this morning. The trade fair is sponsored by agricultural, land reclamation, and water conservancy departments in the country, and by village and town enterprises in Jiangsu Province.

Wang Zhen, Peng Chong, Wang Renzhong, Rong Yiren, Li Peng, and responsible persons of departments concerned attended the trade fair's opening ceremony.

FURTHER ON NATIONAL DAY PREPARATIONS

'Grand Gala' Planned

OW241208 Beijing XINHUA in English 1155 GMT 24 Sep 84

[Text] Beijing, September 24 (XINHUA) -- A grand gala with group dances, firework displays and shows will be held in Beijing to celebrate the 35th anniversary of the founding of New China, says the preparatory committee.

On the evening of October 1, Beijing residents will turn out to dance on Tiananmen Square, which covers 50 hectares. Foreign students in Beijing and 3,000 young Japanese coming to China for get-togethers will also take part. Song and dance acts will be performed between the group dances. People can be seen practising on street corners, in parks, sports grounds, schools and factories and on rural threshing grounds.

Group dances are being taught by 20,000 specially trained instructors. A new book with 100,000 copies illustrates the 16 gala dances, also covered by a Beijing television series since July and now being shown nationwide. It is estimated that at least 200,000 young people in Beijing have learned group dances. Group dancing began to spread in 1982. Over 100 have been choreographed and more than 30 are being promoted. Many are based on folk dances. Some draw on the waltz, tango and samba steps. Zhao Dongming, head of the cultural and sports department of the municipal youth league committee, told XINHUA that young people have shown great interest in the group dances and the gala. As an example, he said that with so many hoping to take part, the Beijing Mineral Bureau, which has some 30,000 young workers, had to hold a two-day competition to select participants.

Nor are peasants excluded. Two-thousand young peasants in Chaoyang District have learned group dances, and Tongxian County on the eastern outskirts of Beijing won first place in a group dance contest organized by the municipal youth league committee. Groups are dancing in other cities too. Zhao says a dozen provinces have sent people to Beijing to learn the dances, and cities like Shanghai have created group dances of their own.

Parade To Spotlight Workers

OW251108 Beijing XINHUA in English 1036 GMT 25 Sep 84

[Text] Beijing, September 25 (XINHUA) -- For Wang Chenglin, a 22-year-old worker from the Beijing capital iron and steel company, to dance a giant silk dragon through Tiananmen Square is an honor, a dream, a pride. He has been practicing with 83 of his fellow workers for the past month.

"I feel great," he says. "It's a real thrill to be doing a dragon dance on such an occasion. We are the 'descendants of the dragon' in the legend."

To the Chinese the dragon is a powerful mythological creature that brings rain-- the lifeline of ancient peasants. Dragon designs adorned palaces, talismans and clothes. The dragon dance has always been part and parcel of Chinese folk festivities. The last dragon dance on National Day was in 1959, before Wang was born.

Nine red, green and gold dragons, operated by 225 men, will provide a magnificent spectacle. Dragons made by craftsmen in Tongliang County, Sichuan Province, have traveled 1,400 kilometers to Beijing. A variety of shows will represent the new national life. Liu Fujie, a 29-year-old woman sweeper, will stand on a festival float featuring the daily life of Beijing residents, when it drives through the square. "It's really wonderful that in new society street sweepers enjoy such national honor," she says. Her float will represent the quiet, cozy and joyous atmosphere of life in this ancient city. "I am so glad to think I will march through Tiananmen Square representing 4,800 fellow workers," says Li Huibin, a 35-year-old worker at the Beijing gear factory and mother of a five-year-old boy. "I belong to the generation which suffered during the Cultural Revolution. Now the state gives me every opportunity to study. I have regained confidence," she says. "I'll march through Tiananmen with joy and glory in being Chinese."

Her view is shared by Feng Feng, 21, one of 400 students from Beijing Agricultural Institute who will march past among other people showing successes in agronomy and forestry. He is from Shanxian County in southwestern Shandong Province.

"My fellow villagers think I'm lucky. They will watch out for me on television," he says. "Most of them now have sets. I feel proud to live at a time when China is so vigorous."

Lu Zeng, a deputy regimental commander, says the National Day military parade will review the People's Liberation Army's achievements over the last 35 years, especially since 1979, and the new look of the PLA. He is the same age as the People's Republic and happy to see it growing up strong.

COMMENTATOR ON RURAL PARTY ORGANIZATION BUILDING

HK140431 Beijing RENMIN RIBAO in Chinese 11 Sep 84 p 5

[Commentator's article: "Create a New Situation in Building Party Organizations in Rural Areas"]

[Text] Popularizing implementation of the production responsibility system in rural China has brought about liberation of rural productive forces and the development of commodity production. In this process of historically great changes, these are the problems of how to strengthen, with the spirit of reform, the building of rural party organizations, so as to give full play to the party branch's role of being a fighting force and the party members' exemplary roles on the road of developing the socialist agricultural cause with Chinese characteristics. These problems have an important bearing not only on whether or not we can continue developing the already present new situation in the rural areas, and whether or not several hundreds of millions of peasants can attain prosperity, but also on whether or not we can realize the lofty goal of the 12th CPC National Congress, and whether or not the whole country can thrive.

To make innovations, we must get a correct understanding of the new situation and its demands for building the party. Thus, with a definite goal in mind we can reform those unsuitable things. At present, the objective situation of China's rural development and changes has advanced a series of unprecedented questions for the grassroots party organizations. The situation requires us to abandon the obsolete concepts and conventions formed over a long period of time and to probe solutions for the new problems in a bold way and with new concepts and methods. What are the current areas that require us to open up and make greater achievements? First, following the separation of government administration from commune management in the rural areas, the grassroots party organizations should study ways to change the practice of being in charge of everything, to concentrate their efforts on grasping the major matters important in policy and the overall situation, to improve ideological and political work, to strengthen their own building, and to fully support the government at grassroots level as well as various economic and mass organizations in the performance of their duties. Second, grassroots party organizations should study ways to inform to the changes and development in the rural economic organizations, to educate and supervise the party members in conforming to the characteristics of new economic activities, and to actively readjust and improve organizations and activities that do not confirm to the new situation. Third, they should probe ways to resolutely promote those outstanding rural members who determinedly support and take the lead in implementing the party's principles and policies toward the rural areas; who have good political quality; and who are young, highly educated, bold in carrying out reform, and capable in organization and management, so as to speed up the pace of achieving the "four transformations" of the leading groups at the grassroots level. Fourth, they should probe ways to guide the work of recruiting party members by using the new concepts and by acting in accordance with the conditions stipulated in the party Constitution adopted by the 12th CPC National Congress.

They should recruit as party members the advanced members among the rural specialized households, households doing specialized jobs, cores of commune and brigade-run enterprises, rural teachers, and workers in other fields. In addition, they should expand the backbone that leads the rural areas to build the "two civilizations." Fifth, they should probe ways to strengthen the education of party members and cadres in basic knowledge, the party's principles and policies, science and technology, and operations and management, so as to transform them into producers and operators who maintain new ideas of quality and into qualified leaders in the new rural areas. Sixth, they should reform in a bold way the present cadre system in the rural area, popularize in towns and townships the system of promoting and recruiting cadres on a contract basis, and select in an all-round way those outstanding qualified personnel who are really ready to accept a higher or a lower post and who are really capable in industrial and agricultural posts.

In building the rural party organization, we must have many good traditions to carry forward. However, there are also many obsolete concepts and methods of handling contradictions. We should end this situation soon. All comrades who are in charge of party work in the rural areas must attach great importance to further study. The comrades must strengthen their research work, carry out reform boldly, be bold in studying, continue to overcome the influence of "leftist" thinking and conservative concepts, and frequently sum up their experience and draw lessons from new thinking, new methods, and new experience. As long as we can make a breakthrough in this regard, we can make achievements in the work of strengthening the rural party organizations in the new period. Thus, we shall create a new situation in the building of rural party organizations and make the political, ideological, and organizational preparations well for carrying out the next step in the full-scale party rectification in the rural areas.

COMMENTATOR DISCUSSES GRAIN SURPLUS QUESTION

HK251204 Beijing RENMIN RIBAO in Chinese 23 Sep 84 p 1

[Commentator's article: "Please Do Not Worry About Having More Grain"]

[Text] Is it good to have more grain or less grain? Perhaps no one would say that it is good to have less grain. However, comrades in some localities have indeed encountered actual difficulties in marketing grain and in placing grain in storage, so they are trying to use administrative means to restrict grain production.

Is grain really in oversupply? Admittedly, because of the substantial increase in grain output in recent years, warehouses in some localities are full of grain and it has become difficult to transport it to markets in other areas. However, the grain supply in our country has not yet met the actual demand in the national economy. At present, our per capita grain output is less than half that in some developed countries. The "grain glut" in some localities is just an abnormal phenomenon, which reflects the fact that the level of grain consumption and the capacity for processing food in our country are still rather low. In the past, we used to be short of grain. Today, although we have a more ample supply of grain than before, our work in certain aspects fails to keep up with the actual needs of the times. By and large, we must adopt a clear and comprehensive view on the grain problem instead of drawing an incorrect conclusion from the transient phenomena in certain places. We should never rashly adopt some simple methods of restricting production, since these methods are bound to seriously dampen the peasants' initiative in production and bring about fluctuations in grain output, thus affecting economic construction as a whole. Grain production has an utmost important bearing on the livelihood of the 1 billion Chinese people and on the overall situation in the four modernizations.

We should never overlook this problem nor repeat the past mistake of "rushing" into production when grain runs short and "cutting" production as soon as it is in ample supply.

Grain is by nature a kind of "commodity." Any surplus grain should be allowed to be sold without restriction in the vast market. At present, some areas rich in grain can find no way to sell their surplus grain while those areas with developed processing industries, some remote mountainous areas, and pastoral areas are badly in need of grain. Actually this situation can be easily solved. We have practiced centralized procurement and sales of grain for many years and this policy is completely correct. However, for a long time some comrades have had the misconception that the distribution of grain should always be kept under centralized control by the state without exception and that, as far as this matter is concerned, no flexibility is allowed. Now that our country's economy has undergone considerable changes, we are required to keep in line with the new situation, emancipate our minds, improve our work, do away with the old concept that grain is a kind of material which should only be distributed strictly according to state plan. Instead, we should regard grain as a commodity, thus dredging, in a rational manner, all the circulation channels for the sale of grain. A host of facts have shown that the country has a vast potential market for grain and the masses will eventually find a way to solve the problems arising from the sale of grain as long as they are given a free hand to handle their affairs.

Vigorously promoting the food processing industry and the feed industry and transforming grain on the spot into meat, eggs, milk, and other kinds of processed food, this is a fundamental measure for eliminating the superficial "surplus" of grain, to further expedite grain production, and to cater to the urgent need for improving the people's livelihood. In the wake of the development in production, the masses' living standards have been raised and their diet has begun to change in recent years. As a result, there is a demand for higher quality food and more meat, eggs, and milk. This change in the market has opened up bright prospects for grain consumption. We should make full use of the present good situation in which we have a sufficient grain supply to promptly readjust the production structure in the countryside and to rapidly develop the food-processing, fodder-processing, and animal-raising industries which are still relatively weak. This will help transform grain into other forms of food of higher value on a local basis. New enterprises in these industries should be run by peasants themselves in the countryside so as to avoid competition between urban and rural areas and between "official" enterprises and people-run enterprises in seeking profits. As long as we rapidly and effectively develop the food-processing and fodder-processing industries in the countryside, comrades who are now worried about "excessive" supplies of grain will deeply feel there is not an ample supply of grain in our country yet and that grain production must continue to develop along with the diversified rural economy.

COMMENTATOR SUGGESTS HELPING PEOPLE BECOME RICHER

HK251538 Beijing RENMIN RIBAO in Chinese 25 Sep 84, p 1

[Commentator's article: "Helping the People Become Better Off Is Serving the People"]

[Text] Since the founding of the PRC, the party policy of encouraging the people to become better off has never played such a great role. Both in rural and urban areas and in the hinterland and border areas of the country there is great activity in which people are striving to be rid of poverty and to become better off.

In this fine situation, some comrades strangely asked: "In doing ideological and political work in the future, which banner should be upheld, the banner of serving the people wholeheartedly or that of trying to build up family fortunes?"

As they see it, encouraging people to become better off through hard work seems to be antagonistic to the idea of serving the people wholeheartedly and if we stress serving the people, we shall not be able to talk about helping the people to become better off and vice versa. This shows that these comrades lack a correct understanding of the idea of serving the people and the party policy of encouraging the people to become better off.

Serving the people wholeheartedly is the purpose which our party should uphold at all times, whether in the past, at present, or in the future. At different historical stages, the idea of serving the people has different contents and priorities. To sum up, under the reactionary rule, serving the people meant saving them -- leading the people throughout the country in overthrowing the three big mountains. In a situation in which the reactionary rule has been overthrown and the people have come into their own and become the masters of the country, serving the people means helping them become better off -- leading the people throughout the country in lifting the country from the backward state of poverty and blankness.

These ideas are common knowledge in Marxism-Leninism-Mao Zedong Thought rather than any creation or invention. Stalin said: "Socialism aims at eliminating poverty and building up a rich and civilized life for all members of society rather than making people poor." For a relatively long period our party has committed "leftist" errors in its guiding ideology, stuck to the assertion of "taking class struggle as the key link," argued that "getting rich means becoming revisionist." As a consequence, the banner of helping the people become better off was basically discarded and a lot of follies that ran counter to the aspirations of the people were committed. Although we endeavored subjectively to serve the people, in reality we caused them to suffer very much. It was only after the 3d Session of the 11th CPC Central Committee when the Marxist line was reestablished, the focus of our work shifted, and the policy of encouraging the people to become better off firmly implemented, that this state of affairs was changed fundamentally. At present the party line has won the heartfelt support of the vast majority of the people and the prestige of the party has grown significantly. This has eloquently proven that the party's purpose of serving the people has been put into effect satisfactorily.

By serving the people, we mean, rather than granting the people happiness as a favor, mobilizing the masses, arming them and organizing them by relying on the correct line, principles, and policies of the party so that they can liberate themselves through their own efforts. We saved the people in this way in the past and we must do this now in helping the people become better off.

Allowing and encouraging the broad masses of peasants, workers, and intellectuals to get more pay through making more contributions for society and to become better off through hard work is not mutually exclusive with continuing to teach the people to foster the idea of serving the people, but each complements the other. This will also help the masses of people become better off more rapidly, starting from a part to the whole of the masses of people.

This September marks the 40th anniversary of the publication of "Serve the People," an article written by Comrade Mao Zedong. It is highly necessary to restudy this brilliant work in clearly understanding what is called serving the people and how we should serve the people and firmly foster the idea that helping the people become better off is serving the people in the new historical stage.

GUANGMING RIBAO REVIEWS SPACE PROGRAM

HK260918 Beijing GUANGMING RIBAO in Chinese 20 Sep 84 p 2

[Article by the Propaganda Department of the Commission of Science, Technology, and Industry for National Defense: "Flying Into Outer Space"]

[Text] In 1960, 20 days after a certain superpower tore up an agreement and withdrew its experts, China launched its first short-range carrier rocket fueled by a Chinese-produced propellant, reflecting the Chinese people's confidence and strength in developing carrier rockets by their own efforts.

In 1964, the first carrier rocket produced by China and with Chinese characteristics flew into the sky, opening a new chapter in China's history of developing carrier rockets.

In 1967, a puppy named Xiao Bao made an historic trip to space on board a biological rocket China developed itself.

In 1970, a large carrier rocket China made itself sent a satellite, the East Is Red No 1, into orbit in space.

After that, the research in and manufacturing of carrier rockets in China was seriously damaged and interfered with during the 10 years of chaos. It was only after the smashing of the "gang of four" that China began genuinely researching, manufacturing, and testing long-range carrier rockets.

In May 1980, China successfully launched its first long-range carrier rocket into the South Pacific.

In October 1982, China once again successfully launched a carrier rocket from a submarine under water.

On 8 April this year, the new type three-stage carrier rocket, researched and manufactured by China, accurately sent China's first experimental communications satellite to the high-altitude of 36,000 kilometers. This indicated that China's carrier rocket technology has reached the world's advanced level. The rapid development of China's carrier rocket technology is noticeable. China now has the ability to launch devices to probe the cosmos to deep space and large space equipment into earth orbit.

NAVY'S DEVELOPMENT OVER 35 YEARS CHRONICLED

OW251135 Beijing Domestic Service in Mandarin 2335 GMT 20 Sep 84

[Article from special program: "Our Great Wall of Iron"]

[Excerpts] Both the People's Navy and New China were born in 1949. They have since then traversed a 35-year course of struggle.

In the past 35 years the broad masses of naval commanders and fighters, fulfilling the people's expectations have passed from the stage of the Navy's founding to that of its maturation. Starting from scratch, they have developed the People's Navy from a small to a big one. Today, they march with full confidence toward the goal of revolutionization, modernization, and regularization.

During the past 35 years since its founding, the People's Navy has successfully fulfilled the fighting tasks of liberating offshore islands, eradicating enemy naval harassments, ensuring the safety of sea transportation, and defending territorial waters and airspace. From 1949 to 1974 it fought 1,263 battles; sank, damaged, and seized 404 enemy vessels; downed and damaged 204 enemy airplanes; and annihilated 7,530 enemy troops.

In recent years the Navy's weapons and equipment have been improved to include guided missiles and electronic and automatic devices. Its surface fleets now include missile-carrying destroyers, escort vessels, and speedboats. Submarine units now have new types of submarines. The navy's flight units have made particular efforts to improve naval aircraft. Weapons used by the coastal defense forces have developed from coastal guns to coast-to-vessel missiles. The successful underwater test-launching of a submarine-based carrier rocket in 1982 signified a qualitative change in the Navy's weapons and equipment. Meanwhile, our Navy's real strength has increased. The present number of principal warships shows a nearly 10-fold increase over that in the 1950's. They have all been developed and produced by China itself as products of our efforts to implement the principle of independence and self-reliance.

Many naval officers and men have scored remarkable achievements in technical innovation and scientific experiment. Since 1979 they have successfully completed some 4,100 research projects, of which 451 have won all-army scientific research awards. Some of these have also received inventive prizes awarded by the state.

In view of the needs of modern warfare, the People's Navy has made serious efforts to reform its training program. While ensuring successful basic training, it has strengthened comprehensive training, long-distance navigation training, and naval exercises. Much effort has been made to raise the Navy's capabilities to fight in coordination with other services of the Armed Forces, make quick responses, use electronic equipment to counter enemy activities, ensure logistical support, and subsist alone during operations at sea. A remarkable improvement has been noted in the military quality of various naval units.

At present, naval academies provide some 1,100 courses in more than 200 different specialties. Several thousand cadets graduate from the academies and join the Navy every year. As can be seen, the academies have become major training centers for supplying competent personnel required in the building of our Navy.

To cope with the needs of a future war against aggression, the Navy has made continued efforts to strengthen its preparations against war and raise its ability to provide logistic support. It has established an integrated defense system and an effective command system. In case an enemy invades, our Navy can fight it at sea and coordinate with the Army and Air Force to safeguard the territorial waters of our motherland effectively.

Our Navy has now developed from a single-arm naval force in its initial stage into a multi-arm combined force. It has naval flight units operating in the skies, various kinds of warships and supply vessels at sea, and submarine units under water. On shore, there are coastal artillery units, coast-to-vessel missile units, as well as observation sentry posts and radar units that keep watch day and night on the seas and the airspace above the seas. Apart from this, marines can carry out landing operations.

It is our firm belief that with hard efforts under the correct leadership of our party, the great goal of building a mighty Navy with modern combat capabilities will certainly be achieved.

REVOLUTIONIZATION, REFORM VIEWS ASSESSED

HK181225 Beijing RENMIN RIBAO in Chinese 14 Sep 84 p 5

[Article by Niu Hong: "Revolutionization and Reform"]

[Text] Sometimes, there would be two kinds of assessment regarding one and the same cadre, Some saying "very good" and others saying "very bad." This case is particularly true of those cadres actively and vigorously carrying out reforms. It can be seen from the reports carried in the newspapers that nearly all of them have risen to their feet only after experiencing different kinds of hardships, censures, and blows. Very often, the difference of opinions in connection with them does not center on problems such as the requirements of being younger in average age, better educated, and more professionally competent, but on the political criteria, or the requirement of revolutionization. How is it that these cadres, who are truly building socialism, are censured by some people and branded as "taking the capitalist road"?

The answer is that there are different interpretations of revolutionization. The revolutionization interpreted by Marxism should be a devotion to emancipation of the productive forces, because revolution means emancipation of the productive forces. In the period of the democratic revolution, the struggle for overthrowing the three big mountains meant revolutionization, because the three big mountains were the obstacles to development of the productive forces. In the socialist period, the struggle for building the four modernizations is likewise revolutionization, because the main task at present is to develop the productive forces, with the system of exploitation having been eliminated.

However, according to the "leftist" viewpoint, development of the productive forces is not revolution, and only class struggle is revolution. Hence, "revolutionization" means the constant upholding of class struggle.

Under the condition of the existence of classes, revolution naturally resorts to class struggle. At present, class struggle is no longer the principal contradiction in our society, but it still exists within a certain scope, and consequently we should not lay down this weapon. However, class struggle is by no means the goal. Revolution is for emancipation of the productive forces. However, according to the "leftist" principle, struggle covers every field and means everything. Since "class struggle should be the key link" even after the exploiting class has been eliminated in terms of a class, the targets for struggle have to be found, or even fabricated, among our own ranks.

Entering the period of socialism, the innocent targets set for struggle without reason or cause included those who devoted much of their energy to the development of production, business, or scientific research. "They only know how to grasp grain, cotton, and oil, and never grasp the difference between the enemy, ourselves, and our friends," "They only know how to pull the cart and never raise their heads to ascertain the direction," "Expert without being Red, taking the road of becoming expert and white," and so on -- all these were accusations arbitrarily imposed upon them.

As a matter of fact, who would pull his cart without ascertaining his direction? It was only a practice of "giving a dog an ill name and hanging him." As for lowering one's head when pulling the cart, it is a manifestation of exerting one's efforts. If exerting one's efforts should become wrong, it would be hard for people to decide what course to pursue.

It can be seen when we look back on history that the repudiation and criticism of the so-called "lowering one's head when pulling the cart" and "taking the road of white and expert" had greatly hurt the broad masses of cadres and intellectuals who quietly immersed themselves in hard work.

And the excessive praise of the so-called "raising one's head to determine the right direction" had helped to increase indulgence in empty talk and exaggerations. As a result, a peculiar kind of people emerged: They ever pulled the cart, but sat on the cart performing a special duty of "determining the right direction" while repudiating the cart-puller who was sweating all over. As a matter of fact, empty talk did socialism no good, even if it was genuine and scientific socialism, beside the fact that the "road" they followed was in effect a road of pseudosocialism leading to universal poverty.

However, in those years of the "great leap forward" and "opposing rightist deviation," empty talk and exaggerations were extremely in fashion. At that time, whoever sang the loudest was the most "revolutionized." All this came to a culmination during the "Cultural Revolution." Behind this there were two important theses: The first was that "leftism" was a matter of methodology, but "rightism" was a matter related to one's political standpoint; and the second was that during the period of socialism, the primary danger was always right deviation. Consequently, preferring the "left" to the right became the most prominent feature of revolutionization.

At that time, even socialism was not satisfactory, and it had to be "communism," which sounded more pleasing to the ear. Of course, genuine communism is very good because it is the most progressive and the happiest society in human history. However, this society has to be built on the material basis of highly developed productive forces, and cannot be built on empty words. At that time, the level of our productive forces was still very low, and only through the building of socialism in a down-to-earth manner could we proceed to advance toward communism. Transcending the present stage and talking big may sound quite revolutionary, but in effect it only plays the role of interfering in the building of socialism.

That historical period is past and gone. Nevertheless, we should still note the grave consequences of the "leftist" influence. Now, because of the development of structural reform, the problem of the evil influence of "leftist" ideology is before us even more acutely.

We have established the socialist system, which can provide a broad space for the development productive forces. However, the relations of production of socialism are now only basically compatible with the productive forces, and the superstructure is also basically compatible with the economic basis. They still have many imperfections. Furthermore, some things which were regarded as socialist things are really not socialist things ("Eating rice from the same big pot" is one of these things). All these have to be resolutely reformed in a planned way so as to emancipate the productive forces and bring into full play the superiority of the socialist system.

The 12th CPC National Congress demands that a new situation be created in the building of socialism, and the key in this task is to conduct reforms. Therefore, with regard to the revolutionization of cadres, the most important thing is the devotion to reform. Of course, carrying out reforms does not comprise all the content of revolutionization, but the lack of it will cause one to lose the core of revolutionization.

However, it is precisely reform that constitutes the focus of struggle. It is because reform has to break away from many irrational rules and conventions, and, in addition, has to break away from certain past successful experiences; that it not only comes into conflict with traditional ideas, but also harms the practical interests of some people. Consequently, the reform efforts encounter a lot of obstacles.

Besides, it should be noted that reforms may turn out to be successful, or they may meet with failure. Even successful reforms have to go through various kinds of hardships and difficulties, and it is not hard to see how much pressure will be experienced by the reformers in case their efforts turn out to be a failure.

Of the various obstacles that reform may encounter, the evil "leftist" influence is the most serious one. It is because "leftism" is the main stumbling block that hampers the development of the productive forces, and consequently the target of reform falls mainly on it. Furthermore, the victory of the reform and the rapid development of the productive forces will ultimately shovel away the soil that gives rise to the "leftist" things and make the "leftist" revolutionization" become a wandering soul without nothing to adhere to. Under these circumstances, it is certain that leftism will exert its utmost efforts to resist the reform.

This struggle is naturally not as fierce as that in the war years, but it is still rather acute and complicated.

One thing that everyone is very angry at -- the non-doers attacking or repudiating the doers -- is one of the aspects in this struggle. In fact, it is a manifestation of "those determining the direction" attacking "those pulling the cart" under the new conditions of history.

It is impossible for those comrades, who are promoting the reform through hacking their way onward amid difficulties, not to have shortcomings or not to commit mistakes. In particular, they are doing the practical things and are pulling the cart, and there must be many vulnerable points that can be capitalized on by others. As for those sitting on the cart and doing nothing, their position is much more relaxed and comfortable. On the one hand, they can enjoy all the practical benefits brought about by the reform; on the other, they have all the leisure and energy to spare to use their high-flown words or to find fault with the reformers.

All such accusations as more pay for more work "aims only at money," contract system with payment linked to output is the "tendency to return to individual farming," enlivening the economy is "liberalization," and opening to the outside world is "letting foreign capitalists exploit us," can be summarized into one: "taking the capitalist road." In this respect, there are problems related to one's understanding, and there are problems related to the evil influence of the "leftist" ideology.

What is worth our attention is that in those places where there is a serious influence of the "leftist" ideology or where the persons who are deeply influenced by "leftism" are in power, the truly revolutionized cadres would still suffer discrimination, suppression, and blows. On the contrary, those cadres who doubt or oppose the line adopted by the third plenary session would be regarded as "revolutionized" cadres with confidence and trust placed on them.

The different interpretations concerning revolutionization is not a matter of trivial significance. It has a bearing on the political quality of our cadre ranks, on the success of or failure of the reform, and on the future of the four modernizations drive. It is not a thing to be trifled with.

During the period of the democratic revolution, a total of 10 years were devoted to the elimination of the "leftist" influence of Wang Ming who had persisted in the line for 4 successive years. And in the socialist period, the leftism persisted for as long as about 20 years. With regard to the elimination of its influence, although it is not practical to calculate the time needed by analogy with the above instance -- which would need 50 years in this case, obviously the 5 or 6 years since the third plenary session are not enough to do the work. In order to open up a new situation in the building of socialism, we should act in accordance with the principles of the third plenary session and continue to emancipate the mind, so as to eliminate the evil influence of "leftism" as quickly as possible.

ARTICLE VIEWS SECOND STAGE OF TAX REFORM

HK190920 Beijing RENMIN RIBAO in Chinese 10 Sep 84 p 5

[Article by Xu Yi: "On the Second-Stage Reform in the Substitution of Tax Payment for Profit Delivery"]

[Text] Substitution of Tax Payment for Profit Delivery Has More Advantages Than Other Methods

Many experiments have been carried out to reform the system of distribution of revenue between the state and the enterprise since the 3d Plenary Session of the 11th CPC Central Committee. Centering on the handling of the economic interests of the state, the enterprise, and the individual, various methods of profit retention and contracted profit quotas have been adopted, and enterprises have been vested with a certain degree of decisionmaking power.

These methods have helped to bring the initiative of the staff and workers of enterprises into full play and to improve the management efficiency of enterprises. However, these methods have also shown some shortcomings and given rise to some contradictions in the course of implementation: (1) Since the original level of realized profits enjoyed by advanced enterprises has been high, their profit retention rate has accordingly been fixed at a lower level. At the same time, since the original level of realized profits enjoyed by backward enterprises has been low, their profit retention rate has usually been fixed at a higher level. Thus, in many cases, under the condition that the production output and revenue of both advanced and backward enterprises have increased, the amount of profits retained by the backward enterprises is greater than that retained by the advanced enterprises. So, the new methods fail to give full play to the initiative of the advanced enterprises and to spur the backward ones to catch up with others. 2) There is a great disparity in profit rate among enterprises with equal level of management performance because the prices of products fail to match their value and the enterprises are faced with different objective conditions with regard to resources, communications facilities, and so on. The method of profit retention is unable to prevent this unreasonable phenomenon. 3) The system of profit retention or contracted profit quotas is in fact a system of contracting for profit increase but not for loss reduction. Whenever an enterprise makes less profit or even suffers losses, it will apply for a cut in its contracted profit quota. This is actually a practice of "eating from the same big pot" in disguised form. 4) All loans granted to enterprises to finance technological improvement projects are to be defrayed by deduction from the profits turned over to the state. As a result, payment for loans has nothing to do with the responsibility of debtor enterprises. This encourages duplicate production, the practice of blindly starting new projects, and so on.

In order to blaze a new trail in reforming the urban economic system and perfecting the economic responsibility system for enterprises, the first stage of the reform of substituting tax payment for profit delivery was carried out throughout the country in 1983, the system of levying income tax on state-owned enterprises was implemented, the profit retention ratio for enterprises was appropriately adjusted, and the relationship between the state and the enterprise in respect of profit distribution was fixed in terms of tax rate. These measures have brought about satisfactory economic results. A total of 28,100 industrial enterprises, which accounted for 88.6 percent of the profit-making industrial enterprises, joined in the first stage of the reform of substituting tax payment for profit delivery in 1983. These enterprises achieved a 9 percent growth in output value and an increase of 10.9 percent in realized profit over the previous year. Out of the 4.22 billion yuan increase in profits in 1983 over 1982, 61.8 percent was paid to the state as income tax and turned over to the state as profit while 38.2 percent was retained by the enterprises themselves. And again, out of the retained 38.2 percent of profit increase, 24.9 percent was kept by the enterprise authorities while 13.3 percent was distributed among their staffs and workers. As a result, these enterprises managed to uphold the principle of the lion's share for the state, the medium share for the enterprise, and the rest for the individual.

While ensuring that the state got the lion's share, the industrial enterprises which implemented the system of substituting tax payment for profit delivery achieved a considerable increase in their retained profits in 1983 -- they retained a total of 7.873 billion yuan, an increase of 25.8 percent over 1982. This showed that the system of substituting tax payment for profit delivery has more advantages than the system of profit retention, that of contracted profit quota, and other systems.

However, as an interim measure, the first stage of the reform to substitute tax payment for profit delivery inevitably has many shortcomings. Therefore, it is necessary to further our efforts and to carry out the second stage of the reform of substituting tax payment for profit delivery at an appropriate time.

Make Use of Taxation as an Economic Lever and Straighten Out Economic Relations

Taxation is an old economic lever. All the countries in the world levy taxes and, through exercising the political power of the state, get involved in the distribution and redistribution of their national income. For this reason, taxation is often regarded as a means for the state to collect wealth by force.

In our country, the state is the owner of the production means of all state-run enterprises. Thus, by ownership, the state has the full right to directly distribute these production means. Then, why do we have to levy taxes by the political power of the state? What is the use of the second stage of the reform of substituting tax payment for profit delivery? And, after all, what are the objective reasons for carrying out such a reform?

Some comrades think that our purpose is to guarantee the financial revenue of the state. Some others hold that we can well guarantee the revenue of the state by adopting the method of profit retention or that of contracted profit quota instead of carrying out the reform of substituting tax payment for profit delivery. However, we must point out that it is far from enough if we simply consider from the aspect of the state's financial revenue, the necessity of the reform of substituting tax payment for profit delivery. We must consider the question in light of the actual situation in our country's socialist economy and based on the necessity of making use of the economic lever and bringing the objective economic laws under control.

In the capitalist society, people cannot bring the objective economic laws under control but act in accordance with the spontaneous operation of the economic laws because of the contradiction between the private ownership of production means and the socialization of production. The socialist system enables us to conscientiously make use of the economic laws, and various kinds of economic levers are our means to conscientiously make use of and control the economic laws. Under the socialist system, various economic laws are functioning simultaneously. Being mutually conditional and interacting with each other, these economic laws form the system of socialist economic laws and are subject to restriction by the basic socialist economic laws.

Nowadays people often emphasize the necessity of acting in accordance with the economic laws but fail to attach due importance to the use of economic levers. While claiming to act according to economic laws, they are actually letting the economic laws function on their own. Also, people always emphasize managing the economy by economic methods, but overlook the socialist state's role in manipulating the economy by making use of economic levers. As a result, reform in the economic administrative system always fails to keep in line with the use of economic levers.

The role of the state in managing the economy is in the first place displayed in the formulation of rules and regulations and the establishment of order. That means establishment of the economic administrative system and formulation of various policies and laws and decrees. The economic system stipulates the relations between power and responsibility, the distribution relations, and the limit of power and responsibility under ownership by the whole people.

However, due to the complications of economic life, one still cannot regulate contradictions in various fields by simply stipulating the limits of power and responsibility. Therefore, it is necessary to make use of various economic levers and establish a regulative system, so as to regulate the economy in a planned way, straighten out economic relations and thus give full play to the superiority system.

The law of taxation is a very important multi-functional means for the state to regulate economic relations. In order to make the socialist taxation mechanism a basic means for collecting financial revenue and an important economic lever in regulating economy, implementing the state's principles and policies, and practicing planned management, it is necessary to carry out the reform of substituting tax payment for profit delivery with respect to the revenue distribution between the state and the state-owned enterprise and fix the revenue distribution relationship between the state and the enterprise in terms of taxation system. It is necessary to establish, in light of the national condition of our country, a taxation system with different categories of taxes and many links as regulative mechanism to replace the oversimplified tax system of the past, to regulate the economy by various means, to guide and restrain the enterprise's production and management, to stabilize the distribution relation between the state and the enterprise while ensuring the expansion of the enterprise's decisionmaking power, and to establish the system of full responsibility for profits and losses in which the enterprise manages its financial affairs by itself and takes the risk to a certain extent.

The State Council has decided to start the second stage of the reform of substituting tax payment for profit delivery from this year's fourth quarter on. The content of this second-stage reform is to make use of the intrinsic regulative function of the taxation mechanism as an economic lever, adopt different categories of taxes according to different contradictions in the economic life, and build a complete regulative system based on the requirements laid by the laws of socialist economy with taxation and other distribution means as economic levers working in coordination with each other, and thus straighten out the economic relations, further improve the distribution relations between the state, the enterprise, and the staff and workers, and fix these relations in terms of laws and decrees. In this way, the state's financial revenue and the legitimate interests of the enterprise and the staff and workers can be guaranteed and the system of taking full responsibility for profits and losses perfected.

Increase the Variety of Taxes, Adjust the Tax Rate, and Give Full Play to the Role of Taxation Mechanism as an Economic Lever.

Taxation is a general concept while the category of taxes is a lesser concept. A certain kind of tax can only solve the contradictions and regulate interests in a certain aspect. In order to correctly manipulate the taxation lever and bring the reform in the economic administrative system onto the right track, it is necessary to levy different kinds of taxes on different tax payers and fix the tax rate discriminately in accordance with different kinds of contradictions emerging in economic activities.

In light of the experience summed up in the pilot projects of reform carried out in the past few years and based on the current needs, we have devised 11 types of taxes for the second stage of the reform of substituting tax payment for profit delivery. Seven types of these taxes, including product tax, value-added tax, salt tax, sales tax, resource tax, income tax, and regulative tax, will begin to be levied in October 1984, while the other taxes, namely housing tax, tax for use of land, tax for use of vehicles and ships, and urban maintenance and construction tax, will be reserved and their implementation will be deferred as the necessary conditions are not available.

Apart from these taxes, several other taxes will also be levied according to the regulations. While most types of taxes are devised by restoring and improving the original types of taxes, the rest are newly devised.

1. Product tax: This is an old type of tax which had been levied in the 1950's. It is now separated from the industrial and commercial tax. In actual economic activities, enterprises are always willing to produce those products which can be sold at high prices and can bring considerable profits but feel no interest in producing those products which never bring high profits due to their low prices. This shortcoming has to be made up by the use of the product tax as an economic lever. A higher tax rate is to be applied to those products which can be sold at high prices and bring considerable profits while a lower tax rate is to be applied to those products which make less profit due to their lower prices. Moreover, the taxes levied on those products which bring small profits or even losses due to the restriction by some specific policies can be reduced or even exempted. By so doing, we can maintain relatively reasonable profit rates for different products of enterprises.

2. Value-added tax: Due to the needs of social division of labor, some products have to go through more stages of processing, from the production of raw materials through the manufacture of component parts to the assembly of finished products. There is a problem of imbalance of tax burden between different forms of production and management regardless of whether the product tax is levied on intermediate or final products. The tendency that some enterprises have shown of attempting to make themselves "large and complete" or "small but complete" is more or less due to certain unreasonable practices with regard to the pricing for intermediate products and the taxation policy. In order to balance the tax burden on different sectors, encourage cooperation between specialized trades, and check the tendency of becoming "large and complete" and "small but complete," it is necessary to divide the value-added tax as a new type of tax from the industrial and commercial tax.

3. Salt tax: This is a type of product tax. This type of tax is separately devised because the amount of reserves of different kinds of salt varies from place to place, there is a wide gap in the profit rate between different kinds of salt produced in different areas, the salt tax payers form a special group different from others, and the method of calculation of tax on salt is a special one which differs from those for other commodities.

4. Sales tax: This is a type of tax specially devised for commodity circulation. The purpose of levying sales tax is to dredge commodity circulation channels, set up a circulation system with more channels and fewer links, enliven commodity circulation, and improve the economic results.

5. Resource tax: As different enterprises, mainly mining enterprises, differ from each other in the amount of natural resources available to them, they are enjoying different profit rates which are irrelevant to their efforts respecting management. In order to adjust the wide gap in the profit rate between different enterprises due to difference in the amount of resources available, and to encourage the rational utilization of mineral resources, we have devised this new type of tax.

6. Income tax and regulative tax: For small-sized enterprises, the remaining portion of profits after the payment of income tax is to be kept by the enterprises themselves except that a small number of enterprises that make greater profits are required to pay the contract charge.

By stabilizing the distribution relationship between the state and the enterprise, conscientiously implementing the responsibility of taking full responsibility for profits and losses, and enabling the enterprise to make more profits from increased output and revenue, we can give full play to the initiative of the staff and workers of the enterprise and enhance the enterprise's management. At the same time, large- and medium-sized enterprises are required to pay the regulative tax as the remaining portion of their profits is rather considerable even after payment of income tax. A 7-year term measure of tax reduction for the increased portion of profits is to be implemented, according to which the increased portion of profits is taxed at a fixed percentage with the amount of profit earned in 1983, instead of the profit amount made in the preceding year, as the base for calculation of profit increase. By implementing this measure, both the enterprise and the staff and workers will benefit more from the improvement of management, the increase in production output and the enterprise's revenue, and the saving on operation costs.

The major types of taxes enumerated above play an important role in regulating economic relations. However, such a role is subject to certain restraints. Each economic lever can only regulate the contradictions in a certain aspect. All the economic levers must work in coordination with each other so as to achieve something. Similarly, although the second stage of substituting tax payment of profit delivery can play an important role in straightening out economic relations and improving the economic management system, it is subject to certain restraints and thus must be adjusted and improved in light of the development of production.

JIANGXI'S BAI DONGCAI SPEAKS ON RECTIFICATION

OW251415 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 22 Sep 84

[Excerpts] The party rectification guidance group under the provincial CPC Committee held a report meeting on 19 September on party rectification in organs directly under the province. The provincial Machinery Department, provincial Discipline Inspection Commission, provincial Chemical Industry Company, and Jiangxi College of Traditional Chinese Medicine reported on their experiences in conducting education on thoroughly negating the Cultural Revolution.

Bai Dongcai, first secretary of the provincial CPC Committee and leader of its party rectification guidance group, and Xu Qin, secretary of the provincial Party Committee and deputy leader of its party rectification guidance group, spoke on the question of thoroughly negating the Cultural Revolution.

After the four units reported on their experiences, Comrade Xu Qin spoke. He said: These four units have achieved good results in conducting the education on thoroughly negating the Cultural Revolution because their guiding ideology is clear and their methods are effective. There is much in their experiences that other units can make use of.

Comrade Xu Qin said: In order to conduct the education on thoroughly negating the Cultural Revolution in a penetrating and wholesome manner, we must adhere to the following principles:

First, it is necessary to fully affirm Jiangxi's work in the exposure-criticism-investigation movement after the downfall of the gang of four.

Second, problems left over from history that have already been settled should not be reopened.

Third, it is necessary to firmly grasp the work of ferreting out the three types of persons and to resolutely get rid of factionalist interference.

Fourth, it is necessary to focus attention on doing meticulous and patient ideological and educational work.

In his speech, Comrade Bai Dongcai stressed the following four points:

First, thoroughly negating the Cultural Revolution is an important part of the current party rectification. The Yanan rectification campaign solved the two major problems of line and unity. In order to maintain a high degree of ideological and political unity with the party Central Committee, eradicate factionalism, and strengthen inner-party unity, it is necessary to solve these two problems in the current party rectification.

Second, the purpose of thoroughly negating the Cultural Revolution is to eradicate factionalism, strengthen party character, and enhance unity.

Third, it is necessary to persistently carry out positive education, realizing that the majority of people, even comrades who were influenced by the Cultural Revolution and made errors, can be educated and that those who do not admit their errors are only a handful of people. We must not exaggerate their mistakes to the extreme nor criticize them in a political campaign as we did in the past.

Fourth, it is necessary to make self-criticism in the light of reality, especially of the reality of one's thinking, in order to sum up experience and lessons. As far as the province is concerned, we must pay keen attention to the two problems of "consistent correctness" and "Jiangxi's special conditions."

SU YIRAN ATTENDS SHANDONG ORCHESTRA PERFORMANCE

SK260452 Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Sep 84

[Excerpt] Just when the people were jubilantly celebrating the 35th anniversary of the founding of the PRC, a literary and artistic troupe, the Shandong Youth Experimental Orchestra was born in our province.

On the evening of 25 September, the orchestra staged a performance to mark its founding at the club of Jinan Ninjiao Guesthouse.

Watching the performance were leading comrades of the Shandong provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the Standing Committee of the provincial People's Congress, the provincial government and the provincial CPPCC Committee, including Su Yiran, Liang Buting, Li Changan, Jiang Chunyun, Wu Kaizhang, Wang Zhongyin, Qin Hezhen, and Li Zichao. Also watching the performance were leading comrades of the Jinan Military Region, including Rao Shoukun, Chen Renhong, Li Suiying, Bai Bin, Pan Qiqi, Xu Zhongyu, Xu Chunyang and Shen Hongyi; Xu Shulin, leading comrade of the provincial Military District; Xia Zhengnong, member of the Central Advisory Commission; and Xu Cai, vice chairman of State Physical Culture and Sports Commission.

The performance was presided over by (Liu Shengchun), secretary of the party committee of the Shandong Artistic Institute. Xiao Hong, director of the provincial Cultural Department, delivered a speech before the performance. On behalf of the provincial CPC Committee and the provincial government, Ma Changgui, vice governor, presented pianos to the Shandong Youth Experimental Orchestra and Shandong provincial song-and-dance troupe. The Political Department of the Jinan Military Region presented a gift to the orchestra.

RAO SHOUKUN MARKS OPENING OF SHANDONG EXHIBIT

SK260426 Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Sep 84

[Excerpt] The photo and painting exhibition marking the National Day and sponsored by the Jinan PLA units opened in Jinan on 25 September.

Rao Shoukun, commander of the Jinan PLA units and Chen Renhong, political commissar of the Jinan PLA units, cut the ribbon at the opening ceremony of the exhibition and watched the exhibition.

SHANDONG'S SU YIRAN ATTENDS INDUSTRIAL EXHIBIT

SK260536 Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Sep 84

[Excerpts] An exhibition on Shandong Province's industrial construction and comprehensive agricultural achievements over the past 35 years since the founding of the PRC was formally opened in Jinan on 25 September.

Responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, as well as the Jinan Military Region, including Su Yiran, and Liang Buting, visited the exhibition.

Our province's industrial foundation was very weak before liberation. It had a very few low-standard industries -- textile, food, light industry, chemical industry, machinery, coal industry, and electric power industry.

In the past 35 years since the founding of the PRC, our province's industry has developed rapidly. Its industrial growth rate ranked fourth among all provinces, cities, and autonomous regions in China and it delivered a total of 75.2 billion yuan in taxes and profits to the state, three times of the total state investment in fixed assets in the corresponding period. Of the 260 major industrial products listed in the plan of the State Council, 68 came from our province, ranking third in China. The livelihood of office staff and workers improved. Marked increases were made in their consumption capacity. In 1983, the average number of watches owned by per 100 households of workers and staff members was 250; bicycles, 173; sewing machines, 80; television sets, 87; cassette recorders, 25; washing machines, 35; and electric fans, 57.

Through many charts, photos, and articles, the exhibition on the province's comprehensive agricultural achievements has vividly shown the brilliant achievements of the province in agriculture, forestry, animal husbandry, aquatic products, water conservancy, the construction of Huanghe, agricultural machinery, meteorology, science and technology, and education over the past 35 years since the founding of the PRC, especially since the 3d Plenary Session of the 11th CPC Central Committee. Our province's agriculture has a long history and rich natural resources. Agricultural production has developed continuously since the founding of the PRC. After the convocation of the 3d Plenary Session of the 11th CPC Central Committee, our province conscientiously implemented the party's rural policies, eliminated the leftist influence, instituted the production responsibility system, and made new progress in reform. The rural economy is changing from single-crop farming into comprehensive development in agriculture, industry, and commerce, showing the tremendous vitality and great prospects in commodity production. In 1983, the total provincial agricultural output value reached 26 billion yuan, which equaled 5.5 times that of the early period of the PRC. The output of grain, cotton, peanuts, and fruits showed a marked increase over the early days of the PRC. Of this, the gross output of cotton, peanuts, and fruit ranked first in China. The percentage of forest-covered areas in the province rose from 1.9 in the early period of the PRC to 9.5. The total animal husbandry output reached 3.143 billion yuan, 3.1 times that of the early days of the PRC.

The total output of aquatic products reached 675,000 tons, 6.8 times that of the early days of the PRC.

The irrigated areas reached 68 million mu, 18 times that of the early period of the PRC. Some 1,348 major scientific research findings were achieved. Great success was also made in the construction of Huanghe, meteorology, and agricultural education.

SHANGHAI'S CHEN GUODONG ATTENDS MILITIA MEETING

OW251255 Shanghai City Service in Mandarin 2300 GMT 22 Sep 84

[Text] Chen Guodong, first secretary of the Shanghai municipal CPC Committee and first political commissar of the Shanghai Garrison District, said yesterday that the municipal party committee has decided to carry out citywide activities of commending advanced units in putting the People's Armed Forces under the party's control.

Chen Guodong made this remark at a conference attended by first political commissars of district and county People's Armed Forces departments. He said that departments at all levels must carry out this project earnestly so that the tradition of putting People's Armed Forces units under the party's control will develop anew in the new situation.

Following the readjustment of leading groups of various districts and counties, many young and educated comrades proficient in economic work have assumed leading posts and become first political commissars of various People's Armed Forces units.

To help them carry out leadership over the People's Armed Forces units more effectively, the Shanghai Garrison District sponsored the meeting for them to exchange experience in putting the People's Armed Forces under the party's control and to have a clearer idea of the first political commissars' responsibilities.

Tang Shudi, deputy commander of the Nanjing PLA units; Guo Tao, commander, and Ping Changxi, political commissar of the Shanghai Garrison District, attended the meeting.

CHEN GUODONG ATTENDS SHANGHAI REHEARSAL

OW251305 Shanghai City Service in Mandarin 2300 GMT 23 Sep 84

[Text] A rehearsal of the Shanghai people's celebration of the 35th anniversary of the founding of the PRC was held at the Cultural Plaza last night. Chen Guodong, Wang Daohan, Ruan Congwu, and other leading comrades of the Shanghai Municipal Party Committee and the municipal People's Government watched the highly creative rehearsal with great interest. They also extended their greetings and thanks to the literary and art workers who prepared and took part in the rehearsal.

Meanwhile, a symposium to study strategies and tactics for Shanghai's economic development broke into group discussions yesterday after hearing some speeches. In their speeches, noted economists Xu Dixin, Qian Junrui, and Tong Dalin put forward tentative strategies for transforming and revitalizing Shanghai.

Chen Guodong, Wang Daohan, Ruan Congwu, and other leading comrades of the Shanghai Municipal CPC Committee and the municipal People's Government attended the symposium and heard the speeches. The three economic experts unanimously acclaimed the enormous economic successes Shanghai has accomplished during the past 35 years and its significant contributions to the nation's economic construction. They pointed out problems Shanghai now faces as well as shortcomings in its operations. They also analyzed the domestic and international situation as well as the favorable and unfavorable factors at home and abroad for transforming and revitalizing Shanghai. They also put forth tentative strategic targets and measures for Shanghai's economic, social, scientific and technological development.

WANG FANG AT ZHEJIANG SINO-JAPANESE GATHERING

OW221227 Hangzhou ZHEJIANG RIBAO in Chinese 12 Sep 84 p 1

[Excerpts] Wang Fang, secretary of the Zhejiang Provincial CPC Committee, and Shen Guifang, member of the Standing Committee of the same committee, on the afternoon of 11 September listened to reports by responsible persons of the preparatory committee for the Sino-Japanese youth get-together, a major upcoming event. Comrade Wang Fang emphatically pointed out that it was a major event of far-reaching significance that General Secretary Hu Yaobang had invited 3,000 Japanese young people to have a get-together with Chinese young people. Some 700 of them will come to Hangzhou. We were very happy about it and must go all out to make the get-together "relaxed, cheerful, vivid, and multicolored."

Comrade Wang Fang then gave a four-point instruction: 1. Do a good job in propaganda to enable cadres and the masses to understand the significance of this event. 2. See to it that safety and security measures are perfect and make a thorough inspection of places to be visited by Japanese youths, major activity centers, and boats and vehicles. 3. Pay attention to environmental hygiene, in particular, that of the guest houses to be occupied by Japanese youths and units to be visited by them. Leading cadres must personally take charge of hygienic matters. 4. All participants in the get-together and receptionists must pay attention to being civilized, courteous, and responsible and keeping good order.

GUANGDONG HOLDS MILITIA WORK CONFERENCE

HK240649 Guangzhou NANFANG RIBAO in Chinese 19 Sep 84 p 1

[Report by Deng Kiaben: "The Provincial Government and Military District Hold a Militia Work Conference]

[Text] The provincial Militia Work Conference, which was jointly held by the provincial government and Military District, concluded in Guangzhou on 12 September after a 6-day session.

The conference relayed the order of the State Council and the Central Military Commission on recruiting soldiers this year and the spirit of the soldiers work conference of the General Staff headquarters; analyzed the province's militia work and military service work; summed up and exchanged experience; arranged the tasks of recruiting, reorganizing, educating, and training soldiers this winter; and studied the implementation of the new Military Service Law and the problems of doing a good job in militia work and of reforming military service work.

Present at the conference were responsible comrades of the provincial government, Guangzhou Military District, and the provincial Military District, including Yang Li, Huang Ronghai, Zhang Mingyuan, Zhang Juhui, Zhuang Gennan, Yang Gang, He Zhifeng, Song Wenyu, Chen Tianlin, and Zhang Hongyun, as well as responsible comrades of prefectural (city) CPC committees and military subdistricts.

Vice Governor Yang Li spoke at the conference. He said that the conference had a firm grip on the key problem of reform work. The ideological guideline for militia work is to mobilize militiamen to undertake the four modernizations drive and carry out militia work according to the requirements of the four modernizations. As reforms are being carried out in various localities, many new problems and new situations have emerged in militia and military service work. Militia work should be reformed so as to keep abreast of reforms in various localities and to meet the needs of the new situation.

Zhang Mingyuan, member of the Standing Committee of the provincial CPC Committee and political commissar of the provincial Military District, also spoke at the conference. He expressed the hope that leaders and militia cadres at all levels would overcome old and conservative ideas and adopt an enterprising attitude in summing up new experiences and seeking new methods. Zhang Juhui, commander of the provincial Military District, summed up the conference. He demanded that in militia and military service work reforms it is necessary to pay attention to key points and strive for new achievements in reforming the contents and forms of militia activities and in reforming management methods, political work, and work methods.

GUANGZHOU MILITARY NEGATES CULTURAL REVOLUTION

HK250356 Guangzhou GUANGZHOU RIBAO in Chinese 18 Sep 84 p 1, 3

[Report by Zhou Guangming and Jiang Xiaolin: "Headquarters of Guangzhou Military Region Distinguishes What Is Right From What is Wrong, Totally Negates 'Cultural Revolution'"]

[Text] In the education in special topics on thoroughly negating the "Cultural Revolution," the headquarters of Guangzhou Military Region has closely linked with the actual conditions and, in the spirit of the "Resolution," has done a comparatively good job in unifying the understanding of the CPC members in some major problems of the "Cultural Revolution" in the organs of the military region. They have further distinguished what is right from wrong, summed up their experiences and lessons in a truth-seeking way, strengthened party spirit and eliminated the remnants of factionalism.

How is education in negating the "Cultural Revolution" to be guided to develop in depth on the basis of clarifying the errors in theories on the "Cultural Revolution"? The Guangzhou Military Region CPC Committee felt that they must link closely with the actual conditions of their units, be courageous in touching upon the major problems in the "Cultural Revolution" and in negating their own shortcomings and errors, since only on this basis would they be able to further unify the ideology of the CPC members, correctly sum up historical experiences and lessons, and thoroughly eliminate "leftist" influences and the remnants of factionalism. In carrying out the education, the organs under the headquarters have unfolded study and discussions in depth centering on how to look upon the several major incidents that had taken place in the organs during the "Cultural Revolution," how to correctly understand the negative effects of the Army's "three supports and two militaries" campaign, how to correctly deal with their own shortcomings and errors in handling those "cases for investigation" and in running "study classes," how to look upon those comrades who had attacked them during the "Cultural Revolution," how to correctly understand the achievements and problems of the expose-criticize-investigate campaign, how to eliminate the remnants of factionalism in the organs and the misunderstandings between comrades, and so on.

In the education of negating the "Cultural Revolution," those comrades who had participated in handling "cases for investigation" and in running "study classes" recalled what they had witnessed and experienced in the course of handling and running them. They have come to realize that the "cases for investigation" work in the "Cultural Revolution" were conducted under the guidance of the erroneous theories of "leftism," which had seriously confused the contradiction between the enemy and ourselves, deviated from the principle of party spirit, and caused many innocent comrades to suffer physically and mentally, and the results have been very grave. In particular, Huang Yongsheng and others framed up the case of the "counterrevolutionary clique of Guangzhou Military Region" during the "Cultural Revolution," resulting in the persecution of a large number of cadres. On the basis of deepening their understanding, they have summed up the following lessons: First, at all times, they should persist in the principle of party spirit, handle affairs impartially and refrain from seeking personal interests; second, in doing anything, they should persist in the ideological principle of seeking truth from facts, they should refrain from doing things arbitrarily and acting impetuously; and third, in all circumstances, they should act according to the party's policies and the laws of the state, and they should not deal with their own comrades with the means used to deal with the enemy.

Those comrades who had participated in sending and receiving big-character posters in the organs at the initial stage of the "Cultural Revolution," have come to understand through study that those actions were carried out under the influence of the so-called slogans of "bombarding the bourgeois headquarters" and "seizing and denouncing the capitalist roaders," by adopting the practice of "extensive democracy," which had not played any positive role, but on the contrary, brought about many negative effects. They were, beyond doubt, erroneous.

Some comrades who were attacked and persecuted during the "Cultural Revolution" have conscientiously examined the "leftist" ideological influences on themselves, and the sentiments of giving vent to personal spite after the implementation of the party's policies on them. On the basis of deepening the understanding of all the comrades, the leadership of the headquarters have adroitly guided action according to circumstances. They have personally done ideological work in dispelling misunderstandings between comrades and bringing together two feuding parties. Through carrying out heart-to-heart talks, 10 pairs of comrades who had been feuding with each other ideologically have broken down the wall between them, with revolutionary friendship reestablished between them; and touching scenes of attaching importance to the whole situation, party spirit, and unity have emerged in the organs.

GUANGDONG SENTENCES 'TAIWAN KMT SPIES'

HK251026 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 25 Sep 84

[Text] The Taiwan KMT spies Jian Jiesong, Wang Shijin, Gu Hong, and Wen Ruyu, who were sent by espionage agencies and sneaked into Guangzhou and other places to engage in sabotage activities, have been uncovered by the state security organ in Guangdong and sentenced to imprisonment respectively according to law by the judicial departments.

Jian Jiesong, a spy sent by the Taiwan KMT espionage agency Mainland Branch, sneaked into Guangzhou for times since September 1983 to carry out espionage activities. On 25 January 1984, in conjunction with the 2d Plenary Session of the 11th KMT Central Committee, the 7th National Assembly, and the presidential elections, Jian Jiesong put up counterrevolutionary slogans on the Five Rams statue in Yuexiushan District and took photographs. He was caught red-handed by the security organs.

Wang Shijin and Gu Hong, spies sent by the Taiwan KMT intelligence agency, joined the secret agencies in Hong Kong. After special training, they sneaked into Guangzhou in an attempt to expand their secret service, steal secret information, incite defections, and engage in sabotage activities. They also attempted to put time bombs in the residence of senior leading cadres and carry out murders.

Wen Ruyu, a spy sent by the Special Military Information Service of the Taiwan KMT, sneaked into Guangzhou in 1981 and recruited Liu Ridong as a new member of the secret service. Early this year, when Ruyu sneaked into Guangzhou again and asked Liu Ridong to instigate the cadres and workers to steal CPC Central Committee documents and collect data on the personnel of the state security organ.

With the assistance and support of the broad masses and the coordination of the public security organs, the state security organ in Guangdong carried out thorough investigations, obtained conclusive evidence, and arrested these spies early this year.

Jian Jiesong and the other offenders admitted their guilt. The judicial organs tried the cases and decided to sentence Wang Shijin to 18 years imprisonment, Jian Jiesong and Wen Ruyu to 15 years imprisonment, Gu Hong to 7 years imprisonment, and Liu Ridong, recruited by Wen Ruyu, to 10 years imprisonment.

The responsible person concerned of the state security organ in Guangdong said: At the time when the people of all nationalities in China, including Taiwan, Hong Kong, and Macao compatriots and Overseas Chinese, are adopting various measures to promote national reunification and to build China into a powerful country, the sabotage activities carried out by the Taiwan KMT espionage agencies are against the will of the people. The handful of spies engaged in sabotage activities should be punished by state law. He continued: With the vigorous support of the broad masses of people, the security organs in Guangdong will continue to heighten their vigilance, resolutely attack the sabotage activities of secret agents and spies, and fight for safeguarding state security and ensuring the smooth progress of the four modernizations.

GUANGXI LEADERS ATTEND FOREIGN CAPITAL MEETING

HK251548 Nanning Guangxi Regional Service in Mandarin 1130 GMT 24 Sep 84

[Text] The regional conference on the utilization of foreign capital which was held in Nanning from 18 to 23 September, put forward that it is necessary to eliminate leftist influence, to emancipate the mind, to reform the management system, to relax policies, and to create a new situation in utilizing foreign capital. Leading comrades of the regional CPC Committee, including Qiao Xiaoguang and Huang Yun, delivered important speeches at the conference.

The conference analyzed the situation in utilizing foreign capital in our region. Since last year, your region has made some achievements in utilizing foreign capital. However, although our region abounds in natural resources, is situated along the coast, and is close to Hong Kong and Macao, we have done our work very inadequately. The difference between our work and the work of our fraternal provinces and cities along the coasts is very big. If our region wants to bring about an upswing; it must solve the relatively important problem of the shortage of capital and technology in the four modernizations. Therefore, the work of utilizing foreign capital to import advanced technology is very urgent.

The conference pointed out that the key to creating a new situation in utilizing foreign capital to import advanced technology lies in eliminating leftist influence, overcoming conservative ideas, and emancipating the mind. We must use the principles and policies of the party to unify the understanding of cadres at all levels, must overcome the idea of fearing political dangers and economic responsibilities, and must understand the necessity, urgency, and long-term nature of utilizing foreign capital from the high plane of strategy. The conference held that to do a good job in utilizing foreign capital, it is essential to reform the management system and to relax policies.

The comrades attending the conference seriously discussed certain Guangxi regulations on utilizing foreign capital to import technology which were drafted by the regional CPC Committee and the regional People's Government.

These regulations include new provisions on further expanding the powers of prefectures, cities, departments, and bureaus to examine and approve the utilization of foreign capital. The region gives preferential treatment to joint ventures set up with Chinese and foreign capital and to enterprises set up with the capital of Overseas Chinese in the aspects of taxes, charges for land use and sales of products. The region takes new measures to simplify procedures and formalities and to raise efficiency.

In accordance with this spirit and in the light of local realities, the comrades attending the conference were resolved to take effective measures to do well in utilizing foreign capital and to gradually speed up this work. Comrades (He Ji) and (Chen Ren) also spoke at the conference. Comrades Wang Rongzhen and (Ruo Ming) attended the conference.

QIAO XIAOGUANG SPEAKS AT GUANGXI UNITY MEETING

HK260357 Nanning Guangxi Regional Service in Mandarin 1130 GMT 25 Sep 84

[Excerpts] The Guangxi regional gathering to commend advanced collectives and individuals in nationality unity solemnly opened in Nanning this morning. This is the largest such gathering in the region since the founding of the state. It will review the situation in nationality work, sum up and exchange experiences in this work, commend advanced units and individuals in nationality unity, and study the principles and tasks for nationality work in the future.

When the central delegation to the gathering, headed by CPC Central Committee Political Bureau Member Song Renqiong and with Jiang Ping and (Su He) as members, went up to the presidium, accompanied by regional party, government, and Army leaders including Qiao Xiaoguang and Wei Chunshu, the delegates enthusiastically applauded and thanked the CPC Central Committee and State Council for their earnest concern for the people of all nationalities in Guangxi.

Zhang Shengzhen, member of the Standing Committee of the regional CPC Committee and vice chairman of the regional People's Government, declared the gathering open at 0830.

Comrade Song Renqiong made a speech. He said: [begin recording] Delegates, comrades: Just when the people of all nationalities in the country are enthusiastically celebrating the 35th anniversary of the founding of the state, Guangxi Zhuang Autonomous Region's solemn convention of a gathering to commend nationality unity is of great significance. The central delegation, I and comrades Jiang Ping and (Su He), as commissioned by the CPC Central Committee and the State Council, extend the warmest congratulations to this gathering and a lofty salute to advanced collectives and individuals who have made contributions to nationality unity. We extend the most earnest regards to all the delegates, the people of all nationalities in the region, and the commanders and fighters of the PLA and the militia defending the motherland's border. [end recording]

In his speech Comrade Song Renqiong fully affirmed the tremendous contributions of the people of all nationalities in Guangxi to the victory of the Chinese revolution and the establishment of the PRC, together with the earth-shaking changes that have taken place in Guangxi since the founding of the state. He continued: [begin recording] At the beginning of this year Comrade Hu Yaobang earnestly expressed the hope that the Guangxi Zhuang Autonomous Region would be the first of China's five autonomous regions to make an economic breakthrough. The CPC Central Committee and State Council fully trust and earnestly hope that the people of all nationalities in Guangxi can achieve this. With the efforts of the party committees and government and the cadres at all levels in Guangxi, I believe that under the guidance of the line of the 12th Party Congress, the 37 million people of the Guangxi Zhuang Autonomous Region will work in concert, unite as one, and strive with still greater effort and spirit to attain this goal.

Nationality unity and equality and the common prosperity of all nationalities is a question of major importance in our multinationality country. Guangxi is an autonomous region which achieved regional autonomy relatively early. More than 10 nationalities live here. Seriously implementing the party's nationality policy and the PRC law on autonomy of minority-nationality areas, doing a good job in nationality work, and strengthening nationality unity are of very great importance, and are also a fundamental guarantee for promoting the four modernizations, and defending the border and the motherland. The central [words indistinct] must establish the concept that Hans and minority nationalities cannot do without each other. This is the scientific summation of [words indistinct] new-style nationality relations in the past 35 years. We must extensively conduct propaganda and education to establish the correct concept of nationality, and criticize erroneous words and deeds that harm nationality unity. We must eliminate all factors unfavorable for nationality unity. Apart from strengthening unity between the Zhuangs and the Hans, we must also strengthen unity of the Zhuangs and Hans with the Yaos, Miaos, Dongs, Mulao, Malolans, Hui, Yi, and other fraternal nationalities. We must strengthen unity among the minority nationalities. At the same time we must strengthen Army-government and Army-people unity and unity among the cadres.

I hope that under the stimulus of this gathering, still more advanced units and individuals in nationality unity will emerge in the region and a brand-new situation in nationality unity will be created. [end recording]

Regional CPC Committee First Secretary Qiao Xiaoguang delivered the opening speech.

Also present at the ceremony were leading comrades of the regional party, government, and Army Huang Yun, Jin Baosheng, Chen Huiguang, Huang Rong, Hou Depeng, Ou Jiwen, Bi Kezhou, and (Yu Wenxi).

YANG RUDAI ON SICHUAN AGRICULTURAL DEVELOPMENT

HK251032 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Sep 84

[Excerpts] According to SICHUAN RIBAO, on 21 September Yang Rudai, secretary of the provincial CPC Committee, held a forum on rural work in Meishan. Attending were responsible persons of Chengdu City and Leshan Prefecture and secretaries of some county party committees. Participants in the meeting gave a briefing on the current situation in production and their future plans. Comrade Yang Rudai made a speech on the present situation in the countryside and tasks for the period ahead.

Yang Rudai said: This year part of farmlands in our province have been heavily flooded, but we still expect a good harvest of industrial crops. The output value of industrial production from January to August rose by 11.9 percent over the corresponding period of last year and revenues increased by 16.4 percent. The profits in September increased by a big margin over last year. To sum up, output value, profits, and revenues have increased simultaneously. There is now a good situation in the reform of the economic structure. Thanks to great successes achieved in rural reform over the past 5 years, profound changes have taken place in the whole countryside and our agricultural production is being transformed into a modern and specialized one on the basis of commodity production. We are now facing a new situation of great economic development in the rural areas.

Yang Rudai said: The better the situation is, the cooler we should keep our heads. A good momentum has appeared in the rural economy, but rapidly developed areas are limited to outskirts of some cities only. Restricted by various factors, development in the remote mountain areas and the minority areas is very slow and some places are still very poor. As regards the development of these areas, the provincial CPC Committee has worked out some policies and methods; the main point is to conscientiously implement them. Emphasis should now be placed on studying the development of intermediate areas and hilly lands which make up a large proportion of the intermediate areas. The intermediate areas, thickly inhabited and vast, are rich in natural resources and have a fairly good economic basis. To speed up the development of intermediate areas, we must first break with "leftist" influences and shackles of outmoded customs. Meanwhile, we must think over problems outside of old frameworks and conventional ideas and learn new experiences and new methods.

In the intermediate areas, not only should we adopt a relaxed, flexible, and open door policy, but we should also make efforts to readjust the old structure of the agricultural economy and to establish a new one. The quadrupling of the gross output value of agriculture should rely on the development of the intermediate areas, whereas the development of the intermediate areas should depend on a new structure in the agricultural economy. Without a new structure in the agricultural economy there will be no quadrupling of the gross output value of agriculture. There are three tiers in the structure of the agricultural economy; the first is farming; the second, diversification, including agriculture, forestry, animal husbandry, sideline production, and fishery; and the third, the integration of agriculture, industry, and commerce. In grasping rural work in the future we should not stick to the old structure and remain at the previous level, but should have a wide field of vision, tap new sources of production, and develop the processing industry for farm and sideline products.

In conclusion, Yang Rudai said: The next step is to study reform in planning, pricing, and the leadership system. Only by making a success of reform in these areas will it be possible for us to straighten out our economic work as a whole and to develop it more quickly and in an orderly way.

YUNNAN BORDER DEFENSE HEROES CONGRESS CONCLUDES

HK260307 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 25 Sep 84

[Excerpts] The congress of heroes and models in the self-defense counterattack against the Vietnamese, convened by the provincial government and Military District, concluded in the hall of the provincial Military District on the afternoon of 25 September. Leading comrades of the party, government, and Army in the province, An Pingsheng, Liang Jia, Liu Minghui, Li Jinqiao, and Zhang Zhimin; and Li Dezhong, head of the Yunnan liaison group of the Central Commission for Guiding Party Rectification, attended the closing ceremony.

(Qin Mingduan), Chief of Staff of Yunnan Military District, made a report on behalf of Commander Li Jinqiao on displaying patriotic spirit and making still greater contributions to defending the motherland.

Zhang Zhimin, political commissar of the Military District, made the closing speech. He called on the commanders and fighters and militia to learn from the heroes and models, further display the spirit of patriotism and revolutionary heroism, strive to promote the building of the units and militia, step up joint defense by Army and people, and build the border into a great steel wall jointly defended by Army and people. He expressed the hope that the representatives of heroes and models would maintain the style of modesty and prudence, refrain from arrogance and rashness, carry forward their achievements, and strive for still greater victories.

XING CHONGZI ON HEBEI RECTIFICATION ARRANGEMENTS

HK250415 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 18 Sep 84

[Excerpts] Speaking on 12 September at the provincial CPC Committee's meeting of prefectural and city CPC Committee secretaries, provincial CPC Committee Secretary Xing Chongzhi outlined arrangements for the second stage of party rectification in the province. He demanded that party rectification in the province be completed by the end of 1986 in accordance with the CPC Central Committee decision on party rectification.

Specifically, it is to be carried out in four stages. In the first stage, the current party rectification in the provincial organs is to be completed by the end of this year. In the second stage, party rectification in prefectural and city organs, universities and colleges, and large factories, mines, and other enterprises will commence in November this year and be completed by August 1985. In the third stage, party rectification in cities subordinate to prefectures, in county organs, in industry, construction, communications, and finance and trade enterprises at and above county-level, and in culture, education, public health, and scientific research units is to commence in July 1985 and be completed in February 1986. In the fourth stage, party rectification in townships, villages, neighborhoods, and enterprises, undertakings, and units subordinate to counties and districts is to commence at the beginning of 1986 and be completed by the end of that year. The provincial CPC Committee's specific arrangements for the second stage which is about to start are as follows:

1. Scope. The units involved in this stage are organs directly subordinate to 8 prefectures and 8 cities under the provincial authorities, not including Shijiazhuang Prefecture and Handan City, which are new-style pilot projects; 30 colleges and universities subordinate to central ministries and the province; 35 large factories, mines, and other enterprise subordinate to central ministries or the province; provincial units related to the party which were not included in the first stage; and county organs under Shijiazhuang Prefecture, and district and county organs under Handan City, along with county-level industry, construction, and communications, and finance and trade enterprises and culture, education, and public health, and scientific research units in that prefecture and city. Other prefectures and cities can each organize a party rectification pilot project in the organs of a county.

2. Tasks. The tasks of the second stage of party rectification are to fulfill the demands set by the CPC Central Committee decision on party rectification for unifying thinking, rectifying work style, strengthening discipline, and purifying the organization, and correct the guiding ideology for local work and the orientation for teaching and for production. It is necessary to solve problems of political obtuseness and ideological conservatism, do better in maintaining a high degree of political unity with the Central Committee, and be more spontaneous in subordinating ourselves to and serving the party's general tasks and goals. We must get a good grasp of implementing all fields, and seriously check on and correct bureaucratism of being irresponsible to the party and people and unhealthy trends such as abuse of powers. We must thoroughly weed out the people of three categories, create a new situation in all fields of work, and truly build the party into a strong core leading socialist modernization.

3. Measures. The second stage of party rectification will in general be carried out in four steps. The first step will be about 3 months of study of documents. The second step will be about 3 months of comparison and examination. The third step will be about 2 months of concentrated rectification and correction. The fourth step will be about 2 months of registering party members, together with summation and acceptance.

4. Leadership. This party rectification will be under the leadership of the party organizations of the prefectures, cities, and units. The principal responsible comrades of the party committees must grasp party rectification.

On the question of how to do a good job of the second stage of party rectification with high standards and quality, Xing Chongzhi said that judging from the first stage, the following experiences can be provided for reference:

1. Ensure that the work of studying documents and unifying people's thinking runs through the whole course of party rectification. It is necessary to arm the party members' minds with the party rectification documents stipulated by the CPC Central Committee.
2. Gain the trust of the masses through practical deeds in simultaneous rectification and correction.
3. Assign an important position to education in totally negating the Cultural Revolution. Totally negating the Cultural Revolution is absolutely essential, and must be done well. All units carrying out rectification must spend some time in education in this respect.
4. Get a good grasp of educating and enhancing party members who lack revolutionary spirit or who do not have enough of it.
5. Examine and readjust the leadership groups in the course of party rectification, and strengthen the building of the third echelon.
6. Resolutely weed out the people of three categories, without missing one and without making mistakes.
7. Constantly pay attention to avoiding the leftist methods used in the last. We must lay stress on enhancing awareness and spontaneously correcting mistakes. We must lay stress on correctly launching criticism and self-criticism without putting pressure on people. We must not endlessly raise old scores that have already been settled. If someone says something wrong, he is permitted to retract it. Twists and turns in ideological understanding are allowed. We must stress seeking truth from facts and speak the truth.
8. Bring into full play the leading and exemplary role of leading cadres. Leading cadres at all levels must set an example by taking the lead in studying the documents, conducting comparison and examination, carrying out criticism and self-criticism, and correcting shortcomings and errors.

Comrade Xing Chongzhi said in conclusion: All prefectures, cities, and units must make specific arrangements in accordance with the above demands. They must proceed from reality and creatively carry out the central decision on party rectification. It is essential to ensure the quality of party rectification and get a good grasp of the time. We must in particular handle well the relations between party rectification and production and other work. We must ensure that party rectification stimulates the economy and that the economy tests party rectification.

ZHOU HUI VISITS NEI MONGGOL ECONOMIC FORUM

SK260241 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 25 Sep 84

[Excerpt] The national symposium on the coordinated development of state key projects and the Nei Monggol economy concluded in Hohhot on 24 September.

This symposium was jointly sponsored by the China Capital Construction and Economic Research Society, the China Urban and Rural Construction and Economic Research Institute, and the Policy Research Center of the Nei Monggol Regional CPC Committee. Attending the symposium were over 130 specialists, scholars and research personnel of Technical Economics Research Center, China Rural Development Research Center, International Affairs Research Center, relevant departments and commissions of the state, the Academy of Sciences of China, the Academy of Social Sciences of China, the Central Party School, and over 10 provinces, municipalities, and regions.

Calling on and intimately talking with all participants at the symposium were some regional party and government leaders, including Zhou Hui, Bu He, Qian Fenyong, Batubagen, Tian Congming, Xu Lingren, and Zhao Zhihong.

On the basis of summing up historical experiences centering on the questions of state key projects constructions and the regional economic development in recent few years, and taking Nei Monggol, which has rich natural resources and whose regional economy is not well developed, as an example, the symposium emphatically discussed the question of key projects having influence over the regional economy, the strategic principles for enlivening economy, and the guiding ideology of working out a plan for regional economy. Closely in line with actual conditions, comrades participating in the symposium paid great attention to the economic development of Nei Monggol.

NEI MONGGOL KMT COMMITTEE CONGRESS OPENS

SK250623 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 24 Sep 84

[Text] The first congress of the Nei Monggol Regional KMT Revolutionary Committee opened in Hohhot this morning.

Leading comrades of the Nei Monggol Regional CPC Committee, the regional government, and the regional CPPCC Committee, as well as responsible persons of various democratic parties and the federation of industry and commerce, attended the congress to convey congratulations.

Li Ganliu, vice chairman of the Central Committee of the Chinese KMT Revolutionary Committee, made a special trip to the region to attend the meeting. Yang Lingde, chairman of the Preparatory Committee of the Nei Monggol Regional KMT Revolutionary Committee, gave an opening address. He said: The main agenda of this congress is to examine and discuss the work report of the Preparatory Committee of the Nei Monggol Regional KMT Revolutionary Committee and to elect leading organs of the Nei Monggol Regional KMT Revolutionary Committee.

Comrade Qian Fenyong gave a speech on behalf of the Nei Monggol Regional CPC Committee. He noted: The convocation of this congress indicated that the work of the regional KMT Revolutionary Committee has entered a new stage. Comrade Qian Fenyong said: The Nei Monggol Regional CPC Committee will unswervingly implement the CPC Central Committee's policies for the united front in the new period, which called for long-term coexistence and mutual supervision and treating each other with all sincerity and sharing weal and woe, respect the political freedom, organizational independence, and equality before the law of various democratic parties within the limits permitted by the Constitution, and make concerted efforts to return Taiwan to the embrace of the motherland, realize the great cause of the reunification of the motherland, and turn China into a modern and strong socialist country.

Li Ganliu, vice chairman of the CPC Central Committee of the Chinese KMT Revolutionary Committee, called on comrades of the KMT Revolutionary Committee to act as real democratic party members under the leadership of the CPC, to actively participate in activities on reform and blazing new trials together with the people of various nationalities in China, and to make new and greater achievements in realizing the general tasks and goal put forward by the 12th CPC Congress.

LI LIGONG INSPECTS SHANXI REVOLUTIONARY BASES

HK260159 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 25 Sep 84

[Summary] Shanxi Provincial CPC Committee Secretary Li Ligong inspected various counties in the Taihang Mountains from 7 to 21 September. These counties, which included Zuoquan, Yushe, Huguan, Tunliu, and the outskirts of Changzhi City, were old revolutionary bases. He stressed to the cadres and masses there: "We must speed up construction in the old revolutionary bases. In particular, we must help poor townships and villages to do everything possible to develop new production outlets and let the people in the old revolutionary bases get rich as quickly as possible."

Accompanied by local responsible comrades, Li Ligong inspected work in 12 counties and districts, 24 townships and towns, and 37 villages. He also visited peasant homes, listened to reports given by responsible comrades of county CPC committees, and held numerous forums with local cadres.

At a forum in Heshun County on 7 September, Li Ligong said: "The township and village cadres in the old revolutionary bases work hard and have done a lot for the party and people. Their essence is good. However the problems of aging and lack of knowledge are serious and do not suit the new situation of development in the mountain areas. This problem must be solved as quickly as possible." He stressed the importance of training talented people in the old revolutionary bases to accelerate development.

When Li Ligong was informed that average per capita incomes in 40 percent of the townships and villages in Yushe County were below 100 yuan a year, he said: "We must enable these places to develop production and increase income as quickly as possible."

While inspecting Tunliu County, Li Ligong cited facts to illustrate the disadvantages of a single-product economy. The county ranks second in grain output in Jindongnan Prefecture, yet its average per capita income is second to last in the prefecture. He said: "This county makes great contributions but its income is small. It must properly readjust its agricultural structure and promote diversification. This is a major reform which must be carried out well. There are outlets everywhere for getting rich." He said that incomes can only increase if industrial and sideline production develops.

Li Ligong said: "My general impression from this inspection of the old revolutionary bases in the Taihang Mountains is that there have been great changes since the Third Plenary Session. The leadership groups at all levels have made greater progress in the four transformations than previously. Their mental outlook is good and they have done a lot of work. The economy in the region is now starting to make progress. The party has its policy of enriching the people and the cadres and masses have the drive to get rich. There are fine prospects.

"To suit the new situation, the leading cadres at all levels must have new ideas and work style. They must learn how to take responsibility for the overall situation. They must go deep into reality to investigate and study and discover and solve new problems. Some comrades use excessively stereotyped language when making speeches or delivering reports, without [words indistinct]. This will not do, and must be changed."

When the masses reported to him on the lack of communications and electric power in the old revolutionary bases, Li Ligong said that solving these problems was the key to enabling the people to get rich there, and a variety of ways should be adopted to solve them.

SOVIET NAVY DETAINS FISHING BOAT IN N. PACIFIC

OW260427 Taipei CNA in English 0240 GMT 26 Sep 84

[Text] Taipei, Sept. 25 (CNA) — A deep-sea fishing boat of the Republic of China was detained September 16 by the Soviet Navy when it was operating in the northern Pacific. The fishermen's association of the Kaohsiung area said Monday the fishing boat, Tachien I, leaving Kaohsiung last June for the northern Pacific Ocean, was captured by the Soviet Navy on September 13 [as received] and then all contact with the boat has been lost. The Tachien I with 14 crewmen aboard is a 382-ton cuttlefish fishing boat. There have been instances when ROC fishing ships were caught by the Soviet Navy for operating too close to Sakhalin Island, but were released later. More than 100 boats from the ROC operate annually in the northern Pacific Ocean during the cuttlefish season between June and October.

GEN WEN HA-HSIUNG ON ARMS DEVELOPMENT, U.S. SALES

OW251055 Taipei CHUNG YANG JIH PAO in Chinese 18 Sep 84 p 1

[By Chiang Wei-shuo]

[Summary] "In an interview with this reporter, General Wen Ha-hsiung, commander in chief of the Combined Service Forces Headquarters, who served as a buyer of military equipment in the United States for 12 years, pointed out that, while the nation will strive to have the United States sell arms to the Republic of China and continue to buy all types of major weapons and equipment from the United States to modernize the Chinese Armed Forces, the only and most reliable way for the nation to safeguard its security is to intensify science and technology research and development for national defense and in the hope of building an independent national defense."

In the interview, General Wen Ha-hsiung also pointed out that the technology adopted by the combined services in producing military equipment is, on the whole, not inferior to that of the industrially advanced countries of the West, but added that the nation can hasten the pace of producing certain modern military equipment by adopting the technology and experience of the advanced countries which have used that equipment for many years.

Commenting on U.S. arms sales to Taiwan, the general said: "U.S. arms sales to the Republic of China will naturally be based on the Taiwan Relations Act. According to my understanding, this act is a domestic law not subject to casual abrogation or revision by a few people. At the same time, the U.S. Government has repeatedly expressed its respect for the spirit of this act. There may be some differences in the two countries' interpretations of the provisions of the act concerning the supply of adequate amounts of weapons to our country to meet its defense needs, but we hope that, through further contacts, we can convey our views and describe our actual situation to the people in the U.S. departments concerned so that they can have a better understanding of our actual situation, thus narrowing the gap between the viewpoints of the two countries. Of course, our explanations on our needs for military equipment will only be accepted by the U.S. side when they are rational and logical."

The general concluded that the main task of his unit is research, development, and production of conventional weapons. He said research, development and manufacture of other weapons is being carried out by other units. He said that he hoped the quality of military hardware will improve as those units develop technology.

ECONOMIC MINISTRY ISSUES GROWTH PREDICTIONS

OW260429 Taipei CNA in English 0232 GMT 26 Sep 84

[Text] Taipei, Sept. 25 (CNA) -- The nation's real economic growth will reach 10.69 percent in the third quarter of this year, the Economic Ministry predicted Tuesday. The achievement would be lower than the 12.29 percent growth in the second quarter of this year. However, indicators show that private investment in local industries are increasing and economic recovery here will continue stably, the ministry said. Expenditures of the people and Government will decline, respectively, to 49.93 percent and 15.62 percent of the gross national product and the increase rate in stocks of various goods will decrease to 0.4 percent in the same period, the ministry said.

As economic recovery will continue steadily in many leading industrial countries, this nation's foreign trade should keep on growing in the July-September period this year. Compared with the same months of last year, exports and imports in the third quarter this year will climb 23.52 percent and 21.22 percent, leaving a U.S. dollar 2.2 billion trade surplus for the nation in the period. Gross industrial product in the three months will grow 13.04 percent, with manufacturing industry gaining 14.36 percent: water, power, and gas businesses and housing construction getting 9.47 percent and 4.83 percent respectively. A production cut will shrink growth in mining industry to 3.12 percent in the period. And gross product in agriculture will be up 1.16 percent from that of the same period of last year, the ministry said.

GOVERNMENT TO STRESS FISHING PORT CONSTRUCTION

OW260353 Taipei CNA in English 0247 GMT 26 Sep 84

[Text] Taipei, Sept. 25 (CNA) -- The newly-merged Council of Agriculture and the Taiwan Provincial Government are evaluating the construction of fishing ports and facilities, of which the Government has given priority, the head of the council said Tuesday. Wang You-tsao, chairman of the Executive Yuan's Council of Agriculture, testified at a meeting of the Legislative Yuan earlier in the day that in line with the development of fishing ports and growing fishing fleet in the country, the Government has always placed strong attention in building fishing establishments.

The seven-year fishing port reconstruction plan is in its sixth year. In 1980 the Executive Yuan approved the plan which originally was designed for five years, during which 79 fishing ports were either reconstructed or built, Wang said. Construction of the ports called for a budget of NT dollar 5.75 billion (U.S. dollar 143.75 million). The five-year plan later was extended to seven years, with the central and provincial governments earmarking budgets totaling NT dollar 3.52 billion (U.S. dollar 87.9 million) between 1980 and 1984. NT dollar 712 million (U.S. dollar 17.8 million) has been set aside for fiscal 1985 ending June 30, the council's chairman said.

Wang also said that the labor-intensive agricultural production has changed its structure. "At present, labor force in agriculture totals around 1,250,000 people. The number will be reduced by 300,000 or 400,000 in 10 years, and by the 21st century, the farming labor force may number 600,000."

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ZHOU NAN, EVANS SPEAK AT HONG KONG ACCORD CEREMONY

HK260240 Hong Kong Domestic Service in English 0200 GMT 26 Sep 84

[Speeches by Zhou Nan, chairman of the PRC Government delegation, and Sir Richard Evans, chairman of the UK Government delegation, at ceremony in Beijing initialing PRC-United Kingdom agreement on Hong Kong -- live]

[Text] [Zhou Nan -- processed from English translation by interpreter] Your Excellency Ambassador Evans, chairman of the British Government delegation; distinguished members of the British Government delegation; dear colleagues and friends: It is an honor for me that Ambassador Evans and I, entrusted by our respective governments and acting as the chairmen of our respective government delegations, have just now initialed the text of the joint declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the question of Hong Kong.

The agreement, having been initialed, will go through legal procedures of the two sides and be formally signed before the end of this year. At all events, we have together traversed a course of decisive significance.

The Hong Kong question is an issue left over from the history of China and Britain. In the spirit of friendship, cooperation, and mutual understanding, our two governments have finally reached a satisfactory agreement after patient diplomatic talks. This is a major event worth celebrating.

The agreement we have just initiated has satisfactorily solved the question of sovereignty over Hong Kong according to the concept of one country, two systems, and provides an effective guarantee for Hong Kong's stability and prosperity in the future. The settlement of the Hong Kong question will certainly help further consolidate and develop the existing friendly Sino-British ties on a new basis, and offers fresh experience for settling peacefully problems between states left over from the past. We believe that the agreement fully conforms to the fundamental interests of the 1 billion Chinese people, including our compatriots in Hong Kong, and those of the British people, and will win their endorsement and support. We equally believe that it will be well received and approved of by the people throughout the world.

We owe our achievement first and foremost to the far-sighted decision of the Chinese and British leaders. It was their personal attention and direct guidance that ensured the success of the talks and the conclusion of the agreement. All my British friends and Chinese colleagues present at the ceremony, as well as Sir Percy Cradock and Vice Foreign Minister Yao Guang, who were chairmen of our respective government delegations at the initial stage of the talks, have made their contribution through hard work and unremitting efforts to the success of the talks.

I wish to take this opportunity to express in the name of the Chinese Government delegation our heartfelt thanks to all friends of the British Government delegation, headed by Ambassador Evans, and I hope that the two sides will continue to work to ensure a smooth implementation of the agreement in the same spirit of friendship and understanding. Thank you.

[Evans -- in English] And I too would like to say a few words. Your Excellency State Councillor Ji Pengfei, Your Excellency Vice Minister Yao Guang, Your Excellency Vice Minister Zhou Nan, distinguished members of the Chinese Government delegation, colleagues, and friends:

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Your Excellency, the vice minister: You and I have just initialed the joint declaration of the governments of the United Kingdom and of the People's Republic of China on the question of Hong Kong. This is a solemn and important event. It marks the end of a process of discussion and negotiation which began fully 2 years ago, when the British prime minister visited China at the invitation of the Chinese Government and held talks with the Chinese leaders about the future of Hong Kong.

Since then, your excellencies, the two government delegations, led on the Chinese side by His Excellency Vice Minister Yao Guang and then by Your Excellency the vice minister, and on the British side by Sir Percy Cradock, my predecessor as British ambassador to China, and myself, have held 22 rounds of formal talks. The governor of Hong Kong, Sir Edward Youde, has taken part in every one of these rounds as a member of the British delegation. Sir Geoffrey Howe, the British foreign secretary, has visited China twice. During his visits, he had thorough discussions about the question of Hong Kong with Chairman Deng Xiaoping, Premier Zhao Ziyang, Your Excellency State Councillor Ji Pengfei, and his host, State Councillor and Foreign Minister Wu Xueqian. You, Your Excellency the vice minister, and I have met to discuss the question of Hong Kong more informally on many additional occasions.

The two governments will now submit the joint declaration to their national legislatures, the British Parliament and the National People's Congress here in China for approval. Subject to this approval, it will be signed in Beijing before the end of 1984. The joint declaration is the practical embodiment of the imaginative concept of one country, two systems. It also demonstrates that peaceful negotiation is the best way to resolve problems left over from history. I should like, your excellencies, to pay tribute in the name of the British Government delegation to the skill and dedication of all members of the Chinese Government delegation. They have worked hard and in a spirit of mutual accommodation to accomplish the common tasks of reaching agreement on the issues under discussion and of negotiating the terms of the joint declaration which we have just initialed.

The preamble to the joint declaration states that the British Government and the Chinese Government have reviewed with satisfaction the friendly relations which exist between the two governments and peoples and have agreed that a proper negotiated settlement of the question of Hong Kong, which was left over from the past, is conducive to the maintenance of the prosperity and stability of Hong Kong and to the further strengthening and development of the relations between the two countries on a new basis. These words in the preamble clearly bring out the great significance of the joint declaration, its significance in history, its significance for Hong Kong and its more than 5 million people, and its significance in the long history of the relations between the United Kingdom and China. It is an historic document.

Ji Pengfei Statement

HK260707 Hong Kong Commercial Radio in English 0430 GMT 26 Sep 84

[Statement by Ji Pengfei, head of the PRC Hong Kong and Macao Office, after the initialing in Beijing of the joint PRC - United Kingdom declaration on Hong Kong -- read in English by translator]

[Text] Just now the joint declaration of the two governments on the question of Hong Kong was initialed. This was indeed a great event, and it is indeed a very good agreement. We say it is a great event because this agreement has solved a question which has been left over from history of more than 100 years, and it has been resolved through friendly cooperation. And we say it is a very good agreement because it is indeed a very good agreement, for it not only conforms fully to the fundamental interests of the people in Hong Kong, but also to the fundamental interests of the peoples of Britain and China as a whole. So that is why we say that it is a very good agreement.

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